

FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1256792-0

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X   Deleted Page(s)         X
X   No Duplication Fee     X
X   For this Page           X
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FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 2/24/95

TO : SAC, CINCINNATI (196B-CI-64415) (MRA)
 FROM : SAC, JACKSONVILLE (196B-CI-64415) (TRA) (RUC)
 SUBJECT : [redacted] aka -

[redacted]
 PAUL M. LARSON;
 [redacted]

dba TELEPHONE INFORMATION
 SYSTEMS, INC.;
 GROUP DYNAMICS DOWNLINE,
 1109 NAVAHO DRIVE,
 LEBANON, OHIO;
 FBW;
 OO: CINCINNATI

Re Cincinnati airtel to Albany dated 01/17/95.

On 02/07/95 [redacted] Corporation Records
 Division, SECRETARY OF STATE'S OFFICE, Tallahassee, Florida,
 furnished the following information:

TELEPHONE INFORMATION SYSTEMS, INC., charter number
 V08724, was incorporated in the State of Florida on 01/23/92,
 however, was administratively dissolved on 08/13/93 for
 failure to file annual report. The mailing address for this
 corporation at time of dissolution listed as 7500 S.W. 59th
 Avenue, Number B-3, Miami, Florida, and the Registered Agent
 was [redacted] same address. No Officers or Directors set
 forth for this corporation.

② - Cincinnati
 1 - Tampa (Info)
 1 - Boston (Info)
 1 - Jacksonville
 REH/jsb (5)

196B-CI-64415-51

Approved: Emk/N

Transmitted

(Number) (Time)

AUTOMATED INDICIES 2/24/95

SEARCHED	INDEXED
SERIALIZED <u>RD</u>	FILED <u>RD</u>
MAR 1 1995	
FBI - CINCINNATI	
b6	b7C

196B-CI-64415 (RUC)

PLEASURE TIME, INC., charter number P94000032075, was incorporated in the State of Florida on 04/25/94 and is currently in an active status. The principal address for this corporation listed as 4915 Carder Road, Orlando, Florida, and the mailing address is listed as 4265 U.S. Highway 98 North, Suite 152, Lakeland, Florida. The Registered Agent for this corporation is [redacted] Orlando, Florida.

b6
b7C

The only listed Officer for this corporation is [redacted]

[redacted] Orlando, Florida, who [redacted]

[redacted] further advised one [redacted] Florida, is affiliated with the following listed corporations:

1) DEHARO COMMUNICATIONS, INC., charter number S62143, incorporated in the State of Florida on 06/24/91 and currently in an active status;

2) DEHARO RADIO LIMITED, charter number A26654, incorporated in the State of Florida on 06/28/88 and voluntarily cancelled on 04/28/94;

3) LA PAZ BROADCASTING, INC., charter number H94055, incorporated in the State of Florida on 01/13/86 and currently in an active status.

[redacted] also advised no further record could be located in her files identifiable with [redacted]

On 02/14/95 [redacted] Assistant Attorney General for the State of Florida, Tallahassee, Florida, advised that in order to give an official opinion regarding this matter, he would need a more detailed fact summary regarding the proposed lottery; however, based upon facts set forth in re airtel, he believes that a violation of Florida law is likely. Specifically, Florida law, Chapter 849.09, Florida Statutes, prohibits the promotion of illegal lotteries and illegal gambling. He is of the opinion that, based upon the limited facts available regarding the telephone lottery, that this would be an illegal lottery in the State of Florida. Consequently, the promotion of this lottery would be illegal as well.

[redacted] advised any additional questions regarding this matter could be directed to him at the FLORIDA ATTORNEY GENERAL'S OFFICE, Tallahassee, Florida, telephone number [redacted]

Memorandum



To : SAC, CINCINNATI (196B-CI-64415) Date 3/7/95
ATTN: SA [REDACTED]

From : BUTTE INFORMATION TECHNOLOGY CENTER (ITC) -
INVESTIGATIVE INFORMATION SERVICES CENTER (IISC)

Subject: PLEASURE TIME, INC
BITC RECORD #68570

b6
b7C

Attached are copies of printouts setting forth results of inquiries conducted by the IISC. Also attached is a copy of an accomplishment/reply form. It is requested that you record the IISC accomplishments on this form and return it to the IISC. Please maintain an additional copy with the computer printouts as a serial in your case file.

Set forth below is a brief synopsis of results of inquiries.

The attached information was found for telephone number 1-800-903-SEXY.

Should additional contact be necessary, this request was processed by IISC Analyst [REDACTED] who can be reached at FTS [REDACTED] Commercial [REDACTED]

RC#

2 - Cincinnati (Enc. 2) *mlu*
Attn: 196 Special Agent Supervisor
Note: Copy forwarded to Case Agent via Fax on 3/7/95.
1 - Butte ITC
mjd
(3)

196B-CI-64415-52

AUTOMATED INDICIES *DEJ*

SEARCHED	INDEXED
SERIALIZED <i>RO</i>	FILED <i>RO</i>
MAR 9 1995	
FBI - CINCINNATI	

7703

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FD-809 (Rev. 3-26-93)



INVESTIGATIVE INFORMATION REQUEST FORM

FBI, Butte Information Technology Center

400 North Main Street, Room #115

Butte, Montana 59701

Commercial Telephone: _____

FTS: _____ FAX: _____

Secure FAX & STU III: _____ Ext. 26

ITC Use Only:

BITC Record #: 68570Date/Time In: 2/23/95 ☐ am ☐ pmDate/Time Out: 2/28/95 ☐ am ☐ pm

Database(s) Used:

1. <u>Lockheed</u>	5. _____	9. _____
2. _____	6. _____	10. _____
3. _____	7. _____	11. _____
4. _____	8. _____	12. _____

Handled By: _____

TO: FBI, BUTTE INFORMATION TECHNOLOGY CENTER

Date: 2/23/95Forfeiture/Seizure Related: ☐Type of Request: ☒ FAX ☐ Telcel ☐ MailRequestor: SA (Requestor Name is Required) Phone # _____FAX # _____ UCFN: 196B-CI-64415Office/RA: CINCINNATI / MIDDLETON RAPrecedence: ☒ ROUTINE ☐ PRIORITY ☐ IMMEDIATEFugitive: ☐ Yes ☐ NoCCH Conducted: ☐ Yes ☐ NoDriver's Lic. Conducted: ☐ Yes ☐ No

Driver's License #: _____

State: _____

NCIC Activity/Date: _____

Off-Line Searches Conducted: _____

Subject: ☐ Yes ☐ No Vehicle: ☐ Yes ☐ No Driver's License: ☐ Yes ☐ No

Vehicle Registration: _____

State: _____

SEARCH CRITERIA (Attach additional sheets if necessary)

Name - Last: _____ First: _____ Middle: _____

Alias: _____ DOB1: ____/____/____ DOB2: ____/____/____

SSAN1: ____ - ____ - ____ SSAN2: ____ - ____ - ____ Spouse: _____

RESIDENCE

Street Address: _____ City/State: _____ Zip: _____ Phone: _____

BUSINESS

Business Name: _____ Street Address: _____

City/State: _____ Zip: _____ Phone: _____ Business ID#: _____

CHECK DESIRED SEARCH PARAMETERS (Please check only those that are needed)

- ☐ 1. Specific Information Desired _____
- ☐ 2. Determine All Individuals Associated with Social Security Number(s)
- ☐ 3. Report Validity of Social Security Number
- ☐ 4. Employment Report (subject to availability) **INQUIRY WILL POST TO CONSUMER'S ACCOUNT**
- ☐ 5. Determine Who is Associated with Telephone Number(s)
- ☐ 6. Determine Address of Business/Person (____ U.S. _____, _____, _____ State(s))
- ☐ 7. Determine Property Owned by Individual (____ U.S. _____, _____, _____ State(s))
- ☐ 8. Determine Who Owns Property Listed Above
- ☐ 9. Determine Who Resides at Address Listed Above
- ☐ 10. Determine Financial Background Info, Financial Associates/Institutions **(NOT FULL CREDIT REPORTING)**
- ☐ 11. Determine Corporate Business Info/Institutions Associated with: _____

(Person/Business)

Reply From: FBI, Butte Information Technology Center (BITC)

Return Reply To:

SAC, CincinnatiAttention: SA

Based on search criteria, marked records are attached:

- ☒ Possible Identifiable Records
- ☐ Other Peripheral Information
- ☐ Brief Synopsis of Information Found
- ☐ No Information Found

INVESTIGATIVE INFORMATION SERVICES
REPLY FORM

In order to help us better serve your investigative needs,
please complete the following and return to:

FBI, Butte Information Technology Center
400 North Main Street, Room #115
Butte, Montana 59701

BUTTE ITC RECORD #: 68570 UCFN: 196B-C1-64415
ANALYST:

b6
b7C

Was the information provided helpful to your investigation? ☐ YES ☐ NO

If NO, please let us know how we could be more helpful to your
investigation: _____

ACCOMPLISHMENT(S) resulting from information:

PERSON(S): (Enter total number applicable to each of the following)

_____ FBI Fugitive(s) Arrested: ☐ FBI ☐ Local Date: _____

(Forward photo of Fugitive arrested with this Reply Form)

_____ Local Fugitive(s) Arrested: ☐ FBI ☐ Local Date: _____

(Forward photo of Fugitive arrested with this Reply Form)

_____ Subject(s) ☐ Arrested ☐ Located ☐ Identified

(Forward photo of subject arrested with this Reply Form)

_____ Witness(es) ☐ Located ☐ Identified

_____ New Witness(es) ☐ Located ☐ Identified

BUSINESS(ES): (Enter total number applicable to each of the following)

_____ New Business(es) Identified

_____ New Business Associates/Associations Identified

_____ Financial Audit Trail(s) Enhanced

ASSET(S): (Enter total number applicable to each of the following)

(TYPES: C = CASH R = REAL PROPERTY P = PERSONAL PROPERTY)

_____ Asset(s) ☐ Located ☐ Identified [VALUE: _____ TYPE: ____]

_____ Asset(s) Subject to Seizure/Forfeiture [VALUE: _____ TYPE: ____]

_____ Potential Economic Loss Prevented [VALUE: _____ TYPE: ____]

OTHER: (Enter total number applicable to each of the following)

_____ New Case(s) Initiated

_____ New Lead(s) Generated

COMMENTS: _____

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 3/2/95

TO : SAC, CINCINNATI (196B-CI-64415) (MRA)
 FROM : SAC, JACKSONVILLE (196B-CI-64415) (RUC)
 SUBJECT : [redacted] aka

PAUL M. LARSON;

[redacted] dba

TELEPHONE INFORMATION SYSTEMS, INC.;
 GROUP DYNAMICS DOWNLINE,
 1109 Navaho Drive,
 Lebanon, Ohio;
 FBW;
 OO: CINCINNATI

Re JK airtel to CI, dated 2/22/95.

Enclosed for Cincinnati is the original executed
 Federal Grand Jury subpoena served 2/28/95 on [redacted]

[redacted] advised this subpoena will be processed
 and records will be mailed directly to AUSA [redacted]
 [redacted] United States Attorney's Office, Cincinnati, Ohio.

No further investigation being conducted by the
 Jacksonville Division.

② - Cincinnati (Encl. 1) *MD*
 1 - Jacksonville

BJN:mlc
 (3)

196B-CI-64415-53

Approved: *amk/lh*

Transmitted

(Number) (Time)

SEARCHED	INDEXED
SERIALIZED <i>80</i>	FILED <i>80</i>
Per <i>MAR 9 1995</i>	
FBI - CINCINNATI	

AUTOMATED INDICIES *MD*b6
b7C

b3

b3
b6
b7Cb6
b7C

0009 MRI 00312

PP FBITP FBICI

DE FBIME #0008 0750418

ZNR UUUUU

P 160323Z MAR 95

FM FBI MEMPHIS (196B-ME-46498) (P)

TO FBI TAMPA/PRIORITY/

FBI CINCINNATI (INFO) (196B-CI-64415)/PRIORITY/

BT

UNCLAS

CITE: //3440//

PASS: SA [REDACTED] TAMPA DIVISION, FT. MYERS RA; ORLANDO
RA; AND SA [REDACTED] CINCINNATI DIVISION, MIDDLETOWN RA.

SUBJECT: [REDACTED]

[REDACTED] ET AL; FBW, MF, ML; OO: ME.

ARMED AND DANGEROUS.

RE MEMPHIS TELETYPE TO TAMPA, DATED 3/7/95.

A PROFFER INTERVIEW WAS CONDUCTED WITH SUBJECT [REDACTED]

[REDACTED] ON 3/13/95. [REDACTED] STATED THAT [REDACTED]

[REDACTED] AND HIS ASSOCIATE, [REDACTED] WHITE, MALE, DOB

AUTOMATED INDICIES see

196B-CI-64415-54

SEARCHED	INDEXED
SERIALIZED 70	FILED 70
MAR 16 1995	
FBI - CINCINNATI	

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b6
b7C
b7D

b6
b7C

7axid WRA
1145m, 3/15/95
see

PAGE TWO DE FBIME 0008 UNCLAS

[REDACTED] SSAN [REDACTED] AKA [REDACTED] LEFT FOR THE BAHAMAS IN LATE FEBRUARY IN ORDER TO OBTAIN INFORMATION ABOUT BANK ACCOUNTS IN THE ISLANDS. PRIOR TO LEAVING FT. MYERS [REDACTED] [REDACTED] LEFT NUMEROUS DOCUMENTS AT [REDACTED] [REDACTED] THESE DOCUMENTS PERTAIN TO A "WORLD WIDE INDIAN LOTTERY" SCAM THAT [REDACTED] AND ANOTHER ASSOCIATE, [REDACTED] ARE OPERATING. APPROXIMATELY \$300,000 OF PROCEEDS FROM THIS LATEST SCAM IS IN A BANK ACCOUNT LOCATED IN GERMANY UNDER THE CONTROL OF [REDACTED]

b6
b7C
b7D

[REDACTED]

[REDACTED] PLACED ALL THE DOCUMENTS AND TAPE RECORDINGS OF CONFERENCE CALLS REGARDING THE LOTTERY SCAM IN A BOX THAT HAD PREVIOUSLY CONTAINED CHILDREN'S BOOKS. THESE DOCUMENTS AND TAPES ARE CURRENTLY AT SOUTHERN SELF STORAGE.

PAGE THREE DE FBIME 0008 UNCLAS

ALSO LOCATED AT SOUTHERN SELF STORAGE IS A FILE CABINET CONTAINING DOCUMENTS AND RECORDS RELATING TO OTHER FRAUD SCHEMES AND BUSINESS THAT THE PROCEEDS FROM THESE SCHEMES WHERE RUN THROUGH, SUCH AS PLEASURE TIME, INC. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] TELEPHONED [REDACTED] 3/12/95 AND 3/14/95 AND DEMANDED, IN A MENACING MANNER, THE KEY TO THE STORAGE FACILITY SO THAT HE COULD RETRIEVE THE DOCUMENTS.

[REDACTED] STATED THAT AN INDIVIDUAL BY THE NAME OF [REDACTED] (LNU), WHITE, MALE, APPROXIMATELY 50 YEARS OLD, WAS COMING IN FROM LONDON TO GET THE DOCUMENTS AND CONVERT THEM IN SOME SORT OF TRADING FUND. [REDACTED] STATED THAT [REDACTED] HAS BEEN WANTED FOR YEARS BY THE FBI, BUT THAT HE WAS TOO SMART FOR THEM. [REDACTED] LEFT THE CONTACT NUMBER [REDACTED] STATED THAT

[REDACTED] SUPPOSEDLY MOVED INTO A HOUSE IN ORLANDO, FL, IN JANUARY 1995. [REDACTED] IS ALSO TRYING TO OBTAIN THE \$300,000 IN THE GERMAN ACCOUNT. [REDACTED] STATED THAT [REDACTED] IS ACTING IN A MANNER THAT IS FRIGHTENING TO HER.

b6
b7C
b7D

PAGE FOUR DE FBIME 0008 UNCLAS

[REDACTED] SIGNED CONSENT TO SEARCH FORMS ON 3/13/95
FOR BOTH THE SOUTHERN SELF STORAGE AND THE HOME DELIVERY
STORAGE.

b6
b7C
b7D

TAMPA DIVISION AT ORLANDO, FLORIDA: LOCATE AND INTERVIEW
[REDACTED] WHITE, MALE, DOB [REDACTED] SSAN [REDACTED]
AKA [REDACTED] REGARDING HIS ASSOCIATION WITH [REDACTED]
[REDACTED] AND [REDACTED] DETERMINE HIS OCCUPATION.
ASCERTAIN HIS INVOLVEMENT IN THE WORLD WIDE LOTTERY SCAM AND
WHY HE IS HARASSING [REDACTED] FOR THE DOCUMENTS. IDENTIFY [REDACTED]
(LNU).

TAMPA DIVISION AT FT. MYERS, FLORIDA: (1) CONDUCT A
SEARCH AT SOUTHERN SELF STORAGE, 3232 COLONIAL BLVD., FT.
MYERS, FL, 33912, PHONE 813/277-0900. ITEMS SEIZED SHOULD
INCLUDE, BUT NOT BE LIMITED TO, ANY AND ALL DOCUMENTS,
RECORDS, AND TAPE RECORDINGS, RELATED TO COURTESY CONSUMER
ASSOCIATION, TATA INVESTMENT GROUP, TLC ENTERPRISES, PLEASURE
TIME INC., TELEPHONE INFORMATION SYSTEMS, GROUP DYNAMICS
DOWNLINE, AND ANYTHING ON THE WORLD WIDE LOTTERY PROGRAM OR
AMERICAN INDIAN LOTTERY PROGRAM. ALSO BE ALERT AS TO ANY
TYPES OF IDENTIFICATION WHETHER IN THE CAPTIONED SUBJECTS
NAMES OR POSSIBLE ALIASES.

PAGE FIVE DE FBIME 0008 UNCLAS

b6
b7C
b7D

[REDACTED]
[REDACTED] SHOULD ALSO BE SEIZED.

ANY INFORMATION CONCERNING ASSOCIATES [REDACTED]

[REDACTED] PAUL M. LARSON, [REDACTED]

[REDACTED] AND [REDACTED] SHOULD ALSO BE SEIZED.

2) CONDUCT A SEARCH OF THE VEHICLES IN CUSTODY OF [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED] PHONE [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

ALSO OBTAIN VEHICLE IDENTIFICATION INFORMATION ON THE
VEHICLES FOUND AT THE STORAGE SITE AND ON [REDACTED]

[REDACTED] BELIEVED TO BE
TITLED IN THE NAME PLEASURE TIME, INC. IT IS ANTICIPATED THAT
FORFEITURE PROCEEDINGS AGAINST THESE VEHICLES WILL BE
FORTHCOMING FROM THE MIDDLE DISTRICT OF TENNESSEE.

FBI MEMPHIS WILL BE SENDING FBI TAMPA, FT. MYERS RA, VIA
FEDERAL EXPRESS THE FOLLOWING:

- CONSENT TO SEARCH FORMS FOR THE ABOVE STORAGE SITES

PAGE SIX DE FBIME 0008 UNCLAS

SIGNED BY [REDACTED] ON 3/13/95.

b6
b7C
b7D

- KEY TO STORAGE UNIT 232, SOUTHERN SELF STORAGE.

- LEASE AGREEMENT, SIGNED BY [REDACTED] FOR UNIT 232,

SOUTHERN SELF STORAGE.

- COPY OF BUSINESS CARD FOR [REDACTED]

[REDACTED]

FBI TAMPA IS REQUESTED TO RETURN THESE ITEMS TO MEMPHIS
UPON COMPLETION.

ARMED AND DANGEROUS.

BT

#0008

NNNN

Memorandum



To : SAC, CINCINNATI (196B-CI-64415) (P) Date 2/25/95

From : SA [REDACTED] (MRA)

b6
b7C

Subject: [REDACTED] aka

[REDACTED]
PAUL M. LARSON;

[REDACTED]
dba TELEPHONE INFORMATION SYSTEMS, INC.;
GROUP DYNAMICS DOWNLINE,
1109 Navaho Drive,
Lebanon, Ohio;
FBW;
OO: CINCINNATI

Per
X

On 2/21/95, the MRA received the attached documents via the US mail from [REDACTED] Ohio Department of Commerce, Division of Securities, 77 South High Street - 22nd Floor, Columbus, Ohio, telephone [REDACTED]

This information which originated with [REDACTED]

b7D

[REDACTED]

b6
b7C

② - Cincinnati
REH:reh
(2)

196B-CI-64415-55

SEARCHED	INDEXED
SERIALIZED <i>RD</i>	FILED <i>RD</i>
FEB 25 1995	
FBI - CINCINNATI	

[Signature]



Ohio Department of Commerce

An Equal Opportunity Employer & Service Provider

George V. Voinovich, Governor

Division of Securities

77 South High Street • 22nd Floor • Columbus, OH 43266-0548

(614) 644-7381 • FAX (614) 466-3316

Donna Owens, Director

February 14, 1995

[Redacted]
Special Agent
FBI
P. O. Box 773
Middletown, OH 45042

Dear [Redacted]

Enclosed is a copy of the information sent to the Ohio Division of Securities ("Division") by [Redacted] pursuant to our recent telephone conversation. Included in this information is [Redacted]

As I explained to you, this information did not originally come into the Division as a complaint, therefore I had not originally seen the correspondence.

Although I contacted the Main Division of Securities on February 2, 1995, and left a voice mail message to have the documents relating to the recent German-related solicitation forwarded to me so that I could share them with you. I have yet to receive them. I have placed another phone call for these records. I am hopeful that you received them through the Maine FBI office by now. Please let me know if you have received them and I will not pursue my attempts at obtaining them for you.

If you have any questions regarding the enclosed information, or if I can be of further assistance, do not hesitate to call.

Very truly yours,

[Redacted]
Assistant Manager
Enforcement Section

[Redacted]
Enclosures

196B-CR-64415-56

SEARCHED	INDEXED
SERIALIZED	FILED
FEB 25 1995	
FBI - CINCINNATI	

Banks
(614) 466-2932

Savings & Loans/
Savings Banks
(614) 466-3723

Consumer Finance
(614) 466-2221

Securities
(614) 644-7381

Credit Unions
(614) 466-2384

State Fire Marshal
(614) 752-8200

Real Estate
(614) 466-4100

Unclaimed Funds
(614) 466-4433

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 3/8/95

TO : SAC, CINCINNATI (196B-CI-64415)
 FROM : SAC, TAMPA (196B-CI-64415) (ORA-2) (P)
 SUBJECT : [REDACTED] aka;
 ET AL;
 FBW;
 (OO: CINCINNATI)

b6
 b7C

Re Cincinnati airtel to Albany, dated 1/17/95;
 Tampa airtel to Cincinnati, dated 1/23/95, Cincinnati airtel
 to Boston, dated 1/27/95; and telcals between SA [REDACTED]
 [REDACTED] LRA, and SA [REDACTED] MRA.

For information of Cincinnati, a Social Security
 trace initiated by the Tampa Division in March of 1995 in
 connection with a fugitive investigation concerning [REDACTED]
 [REDACTED] and [REDACTED]
 (Memphis file 196B-ME-46498) revealed that [REDACTED]
 [REDACTED] SSAN [REDACTED] and [REDACTED] currently
 reside at [REDACTED]

Information concerning the rental of Box 152, 4265
 U.S. Highway 98 North, Lakeland, Florida, was communicated to
 Cincinnati in Tampa airtel, dated 1/23/95. Contact at the
 MALLARDS APARTMENTS, which rents the location known as 4006
 Golf Village Loop determined that [REDACTED] and [REDACTED]
 [REDACTED] had vacated this property in May of 1994.

Telephone [REDACTED] is a non-published number
 which was disconnected in January of 1995. Telephone
 (813) 859-3299 is the fax number for MR. MAILBOX located at
 4265 U.S. Highway 98 North, Lakeland, Florida.

② - Cincinnati
 2 - Tampa
 GRN:ag*
 (4)

196B-CI-64415-51

b6
 b7C

Approved: SLF/HB

Transmitted

(Number) (Time)

AUTOMATED INDICIES

SEARCHED	INDEXED
SERIALIZED	FILED
MAR 15 1995	
FBI - CINCINNATI	

196B-CI-64415

Per conversation with SA [] it was determined that [] does not reside in the Lakeland, Florida area.

As Cincinnati is aware, [] was arrested in Miami in February of 1995 while in the company of [] subsequent to the arrest, disappeared and his whereabouts at this time are unknown.

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b7C

0001 MRI 01866

OO FBITP FBICI

DE FBIME #0003 0800018

ZNR UUUUU

O 202334Z MAR 95

FM FBI MEMPHIS (196B-ME-46498) (P)

TO FBI TAMPA/IMMEDIATE/

INFO FBI CINCINNATI (196B-CI-64415)/ROUTINE/

BT

UNCLAS

CITE: //3440//

PASS: SSA [REDACTED] AND SA [REDACTED] TP; SA [REDACTED]
[REDACTED] CI.

b6
b7C

SUBJECT: [REDACTED] *✓ 196B-CI-64415-38 p. 4.*
[REDACTED] *✓ 196B-CI-64415-38 p. 7*
[REDACTED] ET AL; FBW; MF; ML; OO:
ME.

196B-CI-64415-38 p. 4
196B-CI-64415-38 p. 7
196B-CI-64415-38 p. 4

ARMED AND DANGEROUS.

RE MEMPHIS TELETYPE TO TAMPA, DATED 3/16/95.

PER THE ABOVE REFERENCED TELETYPE, DATED 3/16/95,

AKA [REDACTED] ^{NUM, REF.} WHITE, MALE, DOB [REDACTED] SSAN [REDACTED] *Index to main per case agent*

29B-CI-58221-18 p. 2 NO DATA (INDEXED 1986, MODIFIED 1990)

196B-CI-64415-58
196B-ME-46498

SEARCHED <i>45</i>	INDEXED <i>40</i>
SERIALIZED <i>40</i>	FILED <i>40</i>
MAR 2 0 1995	
[REDACTED]	
NATI <i>220</i>	

b6
b7C

ATTACHED INDICIES *Wp*

PAGE TWO DE FBIME 0003 UNCLAS

[REDACTED] HAS BEEN IN CONTACT WITH [REDACTED] HAS BEEN DEMANDING THAT SHE PROVIDE HIM THE KEY TO SOUTHERN SELF STORAGE, THE STORAGE FACILITY WHERE INCRIMINATING DOCUMENTS WERE STORED [REDACTED]

[REDACTED] THE DOCUMENTS PERTAIN TO SCAMS THAT INVOLVE [REDACTED] THE ABOVE CAPTIONED SUBJECTS, AND OTHERS.

b6
b7C
b7D

ON 3/20/95 [REDACTED] AGAIN CONTACTED [REDACTED] TOLD HER THAT HE WAS TRAVELING TO FT. MYERS IN ORDER TO GET THE DOCUMENTS OUT OF STORAGE. HE TOLD [REDACTED] TO CONTACT SOUTHERN SELF STORAGE SO THAT THEY WOULD LET HIM IN THE STORAGE UNIT. HE STATED THAT IF HE DID NOT GET THE DOCUMENTS THAT EVERYONE, INCLUDING HER, WAS GOING TO BE IN A LOT OF TROUBLE. HE ESTIMATED THAT HE WOULD ARRIVE IN FT. MYERS AT APPROXIMATELY 3 P.M. (EST). HE WILL TELEPHONE [REDACTED] UPON HIS ARRIVAL.

TAMPA DIVISION AT FT. MYERS, FLORIDA: INTERVIEW [REDACTED]

[REDACTED] WHITE, MALE, DOB [REDACTED] SSAN [REDACTED] AKA

[REDACTED] UPON HIS ARRIVAL AT SOUTHERN SELF STORAGE. REFER TO THE TELETYPE DATED 3/16/95 AND THE LEAD SET OUT FOR TAMPA DIVISION, ORLANDO RA, REGARDING THE DETAILS OF [REDACTED] INTERVIEW. COMPLETELY IDENTIFY [REDACTED] AND WHERE HE IS LIVING.

PAGE THREE DE FBIME 0003 UNCLAS

AN INDICTMENT OF [] FOR HIS ACTIVITIES IN THE FBI'S
CINCINNATI DIVISION CASE IS LIKELY. [] WAS WITH []
[] WHEN HE WAS ARRESTED IN FT. LAUDERDALE, FL,
ON 2/22/95. [] FLED THE SCENE BEFORE HE COULD BE
INTERVIEWED. [] IS AWARE OF THE INDICTMENTS IN THE MIDDLE
DISTRICT OF TENNESSEE AND THE INVESTIGATION BY THE FBI IN
CINCINNATI REGARDING HIS ACTIVITIES. EVEN WITH THIS KNOWLEDGE
HE HAS CONTINUED TO OPERATE THE WORLD WIDE INDIAN LOTTERY SCAM
AND OBSTRUCT JUSTICE BY ATTEMPTING TO OBTAIN THE DOCUMENTS AT
SOUTHERN SELF STORAGE. THE MEMPHIS INVESTIGATION HAS
DEVELOPED INFORMATION THAT [] MAY FLEE THE AREA ONCE HE
OBTAINS THE DOCUMENTS HE SEEKS.

b6
b7C

BT

#0003

NNNN

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 3/7/95

On 3/7/95, at 10:00 AM, a subpoena from the United States District Court, Southern District of Ohio, dated February 21, 1995, was served by the investigating agent to [REDACTED]

b3

The subpoena called for [REDACTED]

The subpoena called for the records to be presented to the Office of the U.S. Attorney, 100 East Fifth Street, Cincinnati Ohio. [REDACTED] was instructed to call the investigating agent, or AUSA [REDACTED] U.S. Attorney's Office, Cincinnati, Ohio, if she had any questions or concerns.

b3
b6
b7C

[REDACTED] advised that she would forward the requested information directly to the office of AUSA [REDACTED] 220 Potter Stewart U.S. Courthouse, 100 East Fifth Street, Cincinnati, Ohio. [REDACTED]

Investigation on 3/7/95 at MANSFIELD, OHIO File # 196B-CI-64415 -59

by SA [REDACTED] Date dictated 3/7/95

b6
b7C

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 3/13/95

TO : SAC, CINCINNATI
 FROM : SAC, CLEVELAND (196B-CI-64415) (RUC) (CMRA)
 SUBJECT : [REDACTED] aka.

PAUL M. LARSON;

[REDACTED] dba

TELEPHONE INFORMATION SYSTEMS, INC.;
 GROUP DYNAMICS DOWNLINE,
 1109 Navaho Drive,
 Lebanon, Ohio;
 FBW;
 OO: Cincinnati

Re Cincinnati airtel to Cleveland, dated 2/22/95.

Enclosed for Cincinnati in a 1A envelope is the
 original Grand Jury subpoena regarding [REDACTED]

[REDACTED] Also enclosed is the original and
 one copy of an FD-302 regarding service of the subpoena at
 [REDACTED]

Referenced subpoena was served 3/7/95 to [REDACTED]

[REDACTED] indicated that she would
 forward subpoenaed records directly to the office of AUSA
 [REDACTED] in Cincinnati, Ohio.

Inasmuch as no further investigation is foreseen by
 the Cleveland Division, this matter is considered RUC.

- ② - Cincinnati (Encls. 3)
 1 - Cleveland
 DPM
 (3)

196B-CI-64415-60

Approved: TPI/WCS

Transmitted

(Number) (Time)

AUTOMATED INDICIES

SEARCHED	INDEXED
SERIALIZED	FILED
MAR 22 1995	
FBI - CINCINNATI	
b6	b7C

b6
b7C

b3

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 3/15/95

On March 10, 1995, Special Agent [redacted] contacted Assistant Maine Attorney General [redacted] at [redacted] [redacted] advised that to date, the Maliseet Band of Indians located in Houlton, Maine, have not applied for a state compact or any type of license in order to conduct a lottery based from their land holdings located in the Houlton, Maine area. [redacted] further advised that were he to receive any information concerning such applications, he would contact the FEDERAL BUREAU OF INVESTIGATION in Bangor, Maine, immediately.

b6
b7C

(telephonically)

Investigation on 3/10/95 at Bangor, Maine File # 196B-CI-64415 *col*
by SA [redacted] /srw Date dictated 3/13/95

b6
b7C

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 3/21/95

TO : SAC, CINCINNATI (MRA)
 FROM : SAC, BOSTON (196B-CI-64415) (P)
 SUBJECT : [redacted] aka
 [redacted]
 [redacted] et al.;
 FBW;
 OO:CI

b6
 b7c

Re Cincinnati teletype to Albany dated 1/17/95 and Cincinnati airtel to Boston dated 1/27/95; and telcal between SA [redacted] Boston Division (Bangor RA) and SA [redacted] Cincinnati (Middletown RA) on 3/10/95.

Enclosed for Cincinnati is an original and two copies of an FD-302 reflecting a telephonic conversation engaged in between SA [redacted] and Assistant Maine Attorney General [redacted] which occurred on 3/10/95.

For the information of Cincinnati, the Bangor RA intends on interviewing [redacted] during the week of 3/20/95 as discussed between the Bangor RA and the Middletown RA on 3/10/95.

② - Cincinnati (Enc. 3) *S*
 1 - Boston
 DRG/srw
 (3)

AUTOMATED INDICIES *S*

196B-CI-64415-62

SEARCHED	INDEXED
SERIALIZED <i>20</i>	FILED <i>20</i>
MAR 27 1995	
FBI - CINCINNATI	

Approved: *RSS*

Transmitted

(Number) (Time)

Per

Dissemination Routing Slip
FD-417 (Rev. 1-16-85)

(Copies to Offices Checked)

TO: ☐ Director, Att.: _____

☐ SAC, Cincinnati;

☐ Albany
☐ Albuquerque
☐ Alexandria
☐ Anchorage
☐ Atlanta
☐ Baltimore
☐ Birmingham
☐ Boston
☐ Buffalo
☐ Butte
☐ Charlotte
☐ Chicago
☒ Cincinnati
☐ Cleveland
☐ Columbia
☐ Dallas
☐ Denver
☐ Detroit
☐ El Paso
☐ Honolulu

☐ Houston
☐ Indianapolis
☐ Jackson
☐ Jacksonville
☐ Kansas City
☐ Knoxville
☐ Las Vegas
☐ Little Rock
☐ Los Angeles
☐ Louisville
☐ Memphis
☐ Miami
☐ Milwaukee
☐ Minneapolis
☐ Mobile
☐ Newark
☐ New Haven
☐ New Orleans
☐ New York City
☐ Norfolk

☐ Oklahoma City
☐ Omaha
☐ Philadelphia
☐ Phoenix
☐ Pittsburgh
☐ Portland
☐ Richmond
☐ Sacramento
☐ St. Louis
☐ Salt Lake City
☐ San Antonio
☐ San Diego
☐ San Francisco
☐ San Juan
☐ Savannah
☐ Seattle
☐ Springfield
☐ Tampa
☐ Washington Field

☐ ASAC, Brooklyn-Queens (MRA)

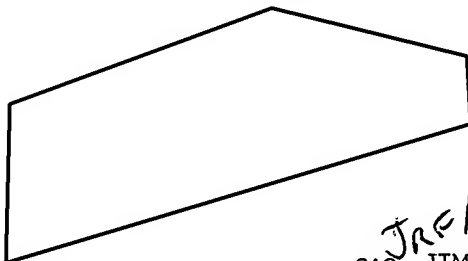
Date

3/17/95

RE:

REMARKS:

Attached hereto is an FD-71 complaint form. The information contained herein has been made a matter of record within the San Francisco Division, however, no investigation will be conducted by San Francisco inasmuch as the information appears to relate to possible criminal activity within your Division. This matter is forwarded to your Division for whatever action deemed appropriate.



b6
b7c

JRC/nov
SAC JIM R. FREEMAN

FILE #:

OFFICE SAN FRANCISCO

814

NOTE: Hand print names legibly; handwriting satisfactory for remainder.

Indices: ☐ Negative ☐ See below

Subject's name and aliases 196B-CT-64415

Character of case FBW advance fee

UNSUBS
46a T.I.S. AMERICAN INDIAN
LOTTERY, WORLDWIDE LOTTERY
PROGRAM;
1109 ~~LEBANON~~ DRIVE, NAVAJO
LEBANON, OHIO 45036 - 9227

Complainant ☐ Protect Source 00

196B-CT-64415 (WORLD WIDE)

Complaint received

☐ Personal ☒ Telephonic Date 3/15/95 Time 10:40 am

Address of subject

Complainant's address and telephone number

Subject's Description	Race	Sex <input type="checkbox"/> Male <input type="checkbox"/> Female	Height	Hair	Build	Birth date and Birthplace
	Age		Weight	Eyes	Complexion	Social Security Number
	Scars, marks or other data					

Facts of complaint

complainant heard about the lottery program through a friend, [redacted] of [redacted] Utah. T.I.S. (Telephone Information System) signed contract with the "MALICIA NATIONS" out of Maine to run this lottery. There is an "800" number for players to call, \$7 for 5 chances to win a "pot", which is a portion of the take from the weekly game. As an "investor", complainant was supposed to take a cut from the \$7, the cut based on the # of calls received. Complainant sent in \$800 via E-mail, in Nov. 94, later found that the TIS lottery had moved to Florida & the phones disconnected. "New address" was 11310 S. Orange Blossom Trail, #114, Orlando, Florida.

Old #'s used were (513) 932-6698
" 932-8047
For info/indexing - " 932-6696
" 723-4853
(512) 505-6082
" 505-6821

Do not write in this space.

196B-CT-64415-63

SEARCHED	INDEXED
SERIALIZED	FILED
MAR 27 1995	
FBI - NATL	

AUTOMATED INDICIES 814

Copy sent to [redacted]

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 3/21/95

The Middletown Resident Agency of the Federal Bureau of Investigation received via certified mail a partial response to a Federal Grand Jury subpoena issued by the United States District Court, District of Southern Ohio, Cincinnati, Ohio directing [redacted] to produce all records for [redacted]

b3

[redacted] provided photocopies of [redacted]

With the arrival of these documents [redacted] fulfilled the subpoenas requirements.

Investigation on 3/16/95 at Middletown, Ohio File # 196B-CI-64415 *-64*
by SA [redacted] :reh Date dictated 3/21/95

b6
b7c

Memorandum



To : SAC, CINCINNATI (196B-CI-64415) (P) Date 3/24/94

From : SA [redacted] (MRA)

b6
b7C

Subject: [redacted] aka
[redacted]
PAUL M. LARSON;
[redacted] dba
TELEPHONE INFORMATION SYSTEMS, INC.;
GROUP DYNAMICS DOWNLINE,
1109 Navaho Drive,
Lebanon, Ohio
FBW
OO: Cincinnati

On 3/24/94, [redacted] Lebanon Police Department, Lebanon, Ohio, telephone [redacted] advised that on 3/18/95 he served a subpoena issued by the Securities and Exchange Commission, Chicago, Illinois, at the residence of PAUL [redacted] When he rang the doorbell, neither LARSON nor [redacted] responded. [redacted] invited [redacted] into the living room.

She advised that LARSON and [redacted] had closed the GDD operation in mid-February 1995. They had relocated to Florida leaving [redacted] to look after their home. She has been telephonically recontacted two or three times since. She has no way to recontact them.

[redacted] observed that several long conference type tables were in the room. Sitting atop one of the tables was a computer print out which was 8 to 10" inches tall. This was identified as a list of TELEPHONE INFORMATION SYSTEMS members recruited by the GDD solicitation. [redacted] also observed a number of audio cassettes which could contain the GDD Update messages which [redacted] used to made daily.

22EN
Cincinnati
REH:reh
(2)

196B-CI-64415-65

SEARCHED	INDEXED
SERIALIZED RD	FILED RD
24	
FBI - CINCINNATI	

- 1 -

b3
b6
b7C

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 3/28/95

SA [redacted] personally received from Assistant United States Attorney [redacted] documents which were obtained by a Federal Grand Jury subpoena issued by the United States District Court, District of Southern Ohio, Cincinnati, Ohio, directing [redacted]
[redacted]
[redacted]
[redacted]

Investigation on 3/24/95 at Cincinnati, Ohio File # 196B-CI-64415 -66

by SA [redacted] :reh Date dictated 3/28/95

b6
b7C

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 3/27/95

[redacted]
[redacted] telephone [redacted] was telephonically interviewed at her place of employment, [redacted] telephone [redacted]. She was advised of the identity of the interviewing agent and the purpose of the interview. She provided the following information:

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[redacted] worked for GROUP DYNAMICS DOWNLINE (GDD) as [redacted] GDD closed its office at 46 North Broadway - Second Floor, Lebanon, in early February 1995. [redacted] was told that [redacted] and TELEPHONE INFORMATION SYSTEMS was taking over for GDD. PAUL M. LARSON and [redacted] moved to Florida in mid-February. [redacted] was retained to look after their residence, 1109 Navaho Drive, Lebanon. This residence is owned by [redacted]
[redacted]

[redacted] job entails forwarding their mail to Florida and clearing the answering machine. She was later told to turn off the facsimile machine. She can not reach either LARSON or [redacted]. They have called her three or four times; the last contact was within a week. She was given two different Florida addresses for forwarding their mail, but she does not have them on her now.

[redacted] confirmed receiving some papers for [redacted] and LARSON several days ago from Lebanon Police Department [redacted] (She advised that [redacted] and LARSON instructed her not to accept service of any court papers.) She advised that inside the residence at 1109 Navaho Drive there is a long printed list of the TIS investors and a computer disk which holds the same information.

reh
(1)

SEARCHED	INDEXED
SERIALIZED	FILED
FBI - CINCINNATI	

Investigation on 3/27/95 at Dayton, Ohio File # 196B-CI-64415 -67

by SA [redacted] reh Date dictated 3/27/95

b6
b7C

Memorandum



To : SAC, CINCINNATI (196B-CI-64415) (P) Date 3/28/94

From : SA [redacted] (MRA)

b6
b7C

Subject: [redacted] aka
[redacted]
PAUL M. LARSON;
[redacted] dba
TELEPHONE INFORMATION SYSTEMS, INC.;
GROUP DYNAMICS DOWNLINE,
1109 Navaho Drive,
Lebanon, Ohio
FBW
OO: Cincinnati

On 3/28/94, [redacted] Securities and Exchange Commission, Chicago, Illinois, telephone [redacted] advised that [redacted] who was involved with the operation [redacted] of the AMERICAN INDIAN LOTTERY PROGRAM, advised that PAUL LARSON and [redacted] are now in the Bahamas. [redacted] provided a their telephone number: [redacted]

When [redacted] called that number, an unknown man answered. When [redacted] asked for [redacted] a woman came to the phone. She hung up without speaking when [redacted] identified himself.

reh
①

[redacted] and LARSON might be involved with the CARRIBEAN DREAM 5. This investment opportunity has this address:
CARRIBEAN DREAM 5, Box SS62065, Nassau, Bahamas.

② DEW Cincinnati
REH:reh
(2)

196B-CI-64415-68

SEARCHED	INDEXED
SERIALIZED	FILED
FBI - CINCINNATI	

The following investigation was conducted by
Investigative Assistant [REDACTED]

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On February 17, 1995, [REDACTED]
Corporation Records, Missouri Office of Secretary of State,
Jefferson City, Missouri, advised a check of her records met with
negative results concerning INTERNATIONAL PUBLIC RELATIONS,
Branson West, Missouri.

On March 15, 1995, [REDACTED] Assistant Attorney
General, State of Missouri, Jefferson City, Missouri, advised
that the Missouri Lottery comes under his representation. He
advised as follows:

The Constitution for the State of Missouri, Article 3,
Section 39 (9), makes it illegal for there to be any lottery in
Missouri with the exception of the State Lottery. [REDACTED]
further advised that the Interstate Wagering Act, Title 18,
United States Code (A), Section 1084 (a), makes it illegal to
place bets over the telephone lines, which would include a
lottery, and that is not pre-empted by the Indian Game Regulatory
Act.

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 4/20/95

TO : SAC, CINCINNATI
 FROM *DRT/SSC* : SAC, KANSAS CITY (196B-CI-64415) (SQ 7) (P)
 SUBJECT : [redacted] aka

[redacted] PAUL M. LARSON;

[redacted] dba

TELEPHONE INFORMATION SYSTEMS, INC.;
 GROUP DYNAMICS DOWNLINE,
 1109 Navaho Drive,
 Lebanon, Ohio;
 FBW;
 OO: CINCINNATI

Re Cincinnati airtel to Albany, dated 1/17/95.

Enclosed herewith are three copies of an insert
 reflecting investigation at Jefferson City, Missouri.

Investigation continuing at Kansas City.

2 - Cincinnati (Enc. 3)
 2 - Kansas City
 SSC:mee
 (4)

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196B-CI-64415-70

Approved: _____ Transmitted _____

(Number) (Time)

AUTOMATED INDICIES

SEARCHED <i>70</i>	INDEXED <i>70</i>
SERIALIZED <i>70</i>	FILED <i>70</i>
APR 28 1995	
FBI - CINCINNATI	

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 3/27/95

[redacted] white female, approximately 35 years of age, [redacted] HOOSIER LOTTERY, 201 South Capitol Street, 11th floor, was contacted at her place of employment by SA [redacted] who identified himself as such and explained the nature of the inquiry. Also sitting in on the interview were [redacted] Consumer Protection Division, INDIANA ATTORNEY GENERAL'S OFFICE, and [redacted] HOOSIER LOTTERY. [redacted] provided the following information:

[redacted] advised it is her opinion that under Indiana State Law covering the state-sponsored lottery, no other entity can compete with the State Lottery. Therefore, it would be a violation of Indiana Law for a nationwide lottery run via a 900 telephone service from a Maine Indian reservation to advertise a lottery within the state of Indiana. [redacted] stated she is aware of no exceptions to this rule, and the fact that the advertised lottery was run under the auspices of Federal statutes, would not change the fact that they could not compete in the state of Indiana with the HOOSIER LOTTERY.

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[redacted] and [redacted] concurred in this opinion.

Investigation on 1/30/95 at Indianapolis, Indiana File # 196B-CI-64415 *u*

by SA *[signature]*

-rme

Date dictated 1/30/95b6
b7C

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 2/10/95b6
b7C

[redacted] white male, date of birth [redacted]
[redacted] Social Security Account Number (SSAN) [redacted]
[redacted] telephone number [redacted]
[redacted] was interviewed at his residence and furnished the following information:

[redacted] advised that for several years, he has been involved in telephone marketing and operates out of his residence. [redacted] advised he does not recall a specific date, but approximately two or three months ago, through both his telephone and facsimile machine, he became aware of the fact that GROUP DYNAMICS DOWNLINE was promoting an American Indiana Lottery Program which would be operated with a 900 telephone number.

[redacted] advised he did not become a member since he could not afford the \$129.00 fee required for membership. However, he did desire additional information concerning the lottery and from the information he received, he was aware of the fact that GROUP DYNAMICS DOWNLINE was operating at 1109 Navaho Drive, Lebanon, Ohio. [redacted] advised that during the first part of December, 1994, he drove to Lebanon, Ohio, [redacted]

[redacted] and knocked on the door at which time he met a woman who identified herself as [redacted] advised he told [redacted] he was there for the purpose of obtaining additional information and she allowed him to view her operation. According to [redacted] told him she was doing computer work for [redacted] and was computerizing the names of all members.

[redacted] advised 1109 Navaho Drive was [redacted] residence and although she told him she also was operating out of an office in downtown Lebanon, Ohio, he did not visit this particular location. [redacted] further advised he observed that a couple of young girls were helping [redacted] answer the telephones and, based upon his observation, he did not believe they were doing a very good job in responding to questions being asked. As a result, he informed [redacted] that he had experience in telephone marketing and offered his services. [redacted] advised [redacted] told him [redacted] was being represented by Attorney [redacted]

[redacted] advised that during his visit, he asked [redacted] why they were

Investigation on 2/3/95 at [redacted] File # 196B-CI-64415-72

by SA [redacted] bas Date dictated 2/7/95

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b7C

196B-CI-64415

Continuation of FD-302 of [REDACTED], On 2/3/95, Page 2

not accepting credit cards for membership payments and she told him they believed there might be a problem with the banks if members began requesting credit on their cards. [REDACTED] advised that during this visit, he also met [REDACTED] boyfriend, PAUL LARSON, and it is his understanding that it was LARSON's idea to come up with the straight line matrix for the lottery. [REDACTED] advised that during his visit, [REDACTED] indicated to him that at that point in time, they had enrolled approximately 6,000 members.

[REDACTED] advised that several days after his visit to [REDACTED] residence, she telephoned him and asked if he was really serious in helping her operation and he told her that he was. [REDACTED] advised that on the next day, which he believes was December 15, 1994, he received a telephone call from [REDACTED] and during this telephone conversation, they verbally entered into an agreement providing that [REDACTED] would pay him a salary of [REDACTED] per week for a three week period to assist in the operation. In addition, [REDACTED] agreed to pay for [REDACTED] to have a telephone line and a separate fax line installed at his residence. Finally, [REDACTED] furnished him with two memberships in the lottery valued at \$129.00 each. [REDACTED] advised that in his agreement with [REDACTED] he agreed to receive telephone calls from members and potential members for the purpose of answering any questions they might have concerning the lottery program or to help them with any problems. [REDACTED] advised he was not soliciting memberships and was not receiving any money from individuals.

b6
b7C

[REDACTED] advised that on the same day that he spoke with [REDACTED] the latter furnished [REDACTED] home telephone number [REDACTED] during a conference call and as a result, he immediately began to receive telephone calls [REDACTED] advised he estimates that during the next three weeks, he received approximately 30 telephone calls per hour, 18 hours per day.

[REDACTED] advised that on either January 3, 1995, or January 4, 1995, an additional line, telephone number [REDACTED], was installed in his residence as well as the fax line, telephone number [REDACTED] advised that [REDACTED] sent him either a certified check or cashier's check drawn on a Florida bank in the amount of [REDACTED] for his week's salary and [REDACTED] for telephone deposits and installation charges. According to [REDACTED] the telephone lines were installed

196B-CI-64415

Continuation of FD-302 of [REDACTED]

, On 2/3/95

, Page 3

in both his name and the name of [REDACTED] [REDACTED] advised that at the end of the third week, he received from [REDACTED] check in the amount of [REDACTED] which represented payment for his second week's salary. [REDACTED] advised this check was drawn on [REDACTED] business, PLEASURE TIME, INCORPORATED. [REDACTED] advised that, at the present time, [REDACTED] owes him [REDACTED] for his third week's salary and for telephone expenses including one telephone bill in the amount of [REDACTED]. However, [REDACTED] has advised him that he is unable to pay him at the present time since he has voluntarily frozen his checking accounts because the SECURITIES AND EXCHANGE COMMISSION is examining his operation.

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b7c

[REDACTED] advised he personally has never met [REDACTED] but has spoken with him on the telephone on at least four or five occasions with the last conversation occurring approximately one week ago. [REDACTED] advised that based upon his conversations with [REDACTED] it is his understanding that with respect to the lottery program, [REDACTED] was relying upon advice from his attorneys, including Attorney [REDACTED] Kentucky; [REDACTED] Indiana, Attorney [REDACTED] and Tennessee Attorney [REDACTED] [REDACTED] who is an Attorney knowledgeable in the area of multi-level marketing. [REDACTED] further advised [REDACTED] was attempting to obtain 50,000 members by the January 14, 1995, cut off date, but actually enrolled only 22,000 members.

[REDACTED] advised that during the three week period, he was employed by [REDACTED] current members were referring potential members to him, but he told them he was not a salesman. [REDACTED] advised that as he previously stated, his role was to answer questions and to solve problems for individuals who were already members or who were thinking about becoming members. [REDACTED] advised he recalls receiving a number of complaints from members indicating they had not received an identification number. In addition, he received numerous telephone calls from members asking questions concerning the process of recruiting other individuals for the lottery program.

196B-CI-64415 - 73

287 GOS-rme

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The following investigation was conducted by SA []
[] at Indianapolis, Indiana, on January 26, 1995:

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[] INDIANA STATE BAR ASSOCIATION, 230 East
Ohio Street, advised the records of her organization reflect
[] was admitted to the practice of law in the State
of Indiana, on June 24, 1991. Her records further reflect that
[] was also admitted to the practice of law in the State of
Kentucky on July 19, 1991.

196B-CI-64415 - 74

GOS-rme

1

The following investigation was conducted by SA []
[] at Indianapolis, Indiana, on February 10, 1995:

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[] Information Clerk, Corporations
Division, INDIANA SECRETARY OF STATE'S OFFICE, advised that the
records of her division reflect no record for TELEPHONE
INFORMATION SYSTEMS, INC., or PLEASURE TIME, INC. This would
indicate that neither of these corporations is registered with
the State of Indiana.

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 3/27/95

TO : SAC, CINCINNATI (MRA)
 FROM *WPK/gp*: SAC, INDIANAPOLIS (196B-CI-64415) (RUC)
 SUBJECT : [redacted] aka

PAUL M. LARSON;

dba

TELEPHONE INFORMATION SYSTEMS, INC.;
 GROUP DYNAMICS DOWNLINE
 1109 NAVAHO DRIVE
 LEBANON, OHIO
 FBW
 OO: CI

Re CI airtel to BS dated 1/27/95, CI airtel to AL dated 1/17/95 and IP airtel to CI dated 2/17/95.

Enclosed for Cincinnati are the original and two copies of two FD-302s reflecting interviews with [redacted] and [redacted] of the HOOSIER LOTTERY. Also enclosed are the original and two copies each of two investigative inserts reflecting contact with the INDIANA STATE BAR ASSOCIATION and the INDIANA SECRETARY OF STATE'S OFFICE.

Referenced Indianapolis airtel provided Cincinnati with documentation concerning contact with attorney [redacted]

② - Cincinnati (Enc. 12)
 1 - Indianapolis

GOS-rme
 (3)

196B-CI-64415-15

Approved: _____

Transmitted _____

(Number)

(Time)

AUTOMATED INDICIES *[Signature]*

SEARCHED	INDEXED
SERIALIZED <i>RD</i>	FILED <i>RD</i>
MAR 30 1995	
FBI - CINCINNATI	
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196B-CI-64415

As all investigation has been conducted within the Indianapolis Division, this matter is being placed in an RUC status.

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 3/29/95

On March 21, 1995, [redacted] (date of birth [redacted]) resident of [redacted] Maine, furnished the following information:

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He advised that he is the [redacted] for the Houlton Band of Maliseet Indians. He stated he can be contacted at home at telephone number [redacted] or at his business, [redacted]. He stated that he was approached by a person whom he identified as a [redacted] from Louisville Kentucky sometime during the early part of December. He advised the initial contact with [redacted] was through a telephone call and she had contacted him to determine if the Houlton Band of Maliseet Indians might be interested in enjoining her in a gaming venture. He stated he recalled that he specifically asked her, "What type of game are you talking about?". She responded, "Lottery." She then faxed a confidentiality statement to him and he brought this statement to the Band Council. It was signed by him after approval by the Council and he sent it back to [redacted]. He stated this activity took place during the first part of December. He advised she called him a few days later and told him that two people would be visiting the reservation to make a presentation to the Band Council. He advised that two individuals, whom he identified as [redacted] and [redacted] arrived in Houlton on the 15th or 16th of December. He advised that [redacted] was from [redacted] however, he did not know where [redacted] was from. He stated these individuals flew into Bangor. He advised [redacted] is an attorney and he spoke to the Band Council pertaining to this venture. He recalls that [redacted] advised the Council that they had investors in place. They were not told at that time who these investors were. He said on the 19th of December, a formal agreement was entered into by the Maliseets pertaining to this joint venture. He stated that [redacted] signed this agreement and faxed it to [redacted] or [redacted]. He stated at that time no payment had been received by this organization. He was asked if this was an agreement to agree and he stated it was an actual agreement between TIS and the Band of Indians. He advised that this agreement could be canceled by either party at any time. He

Investigation on 3/21/95 at [redacted] File # 196B-CI-64415 -76
by SA [redacted] and
SA [redacted] DRG/srw Date dictated 3/28/95

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196B-CI-64415

Continuation of FD-302 of [REDACTED], On 3/21/95, Page 2

advised that the tribe's role in this was to develop a tribal gaming ordinance and develop a compact between the State of Maine which would allow this lottery. He advised that an individual identified as [REDACTED] was hired by TIS as a consultant. He stated [REDACTED] arrived at the Houlton Reservation on January 5th or January 6, 1995, and stayed with [REDACTED]. He advised [REDACTED] role was to help [REDACTED] put together the tribal gaming ordinances as well as the tribal state compact. He said the first time the Band of Maliseets received any money from TIS was prior to Christmas. They were provided with \$200 in order to purchase a recorder and all calls received by the Band of Maliseet Indians were to be forwarded to a Public Relations Officer affiliated with TIS. He advised that the Maliseet Indians received over 1,000 calls from investors during December and January. As a result, TIS forwarded \$5,000 to the tribe to help defray the time in answering calls prior to the obtainment of the recorder. He stated that [REDACTED] also received a check for [REDACTED] which was to be utilized by the Band of Maliseets for legal fees. He advised this money arrived via wire transfer to a tribal account located at KHATADIN BANK. In total, the Band of Maliseet Indians received \$20,200. He advised he thought these funds were all in the general fund. He did advise that the band set up a checking account which was dedicated towards monies coming in from TIS.

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[REDACTED] advised that [REDACTED] arrived in Houlton, Maine, on February 14, 1995, and was there for approximately three days. He stated that [REDACTED] visited the Maliseet Band for the same reasons as before, that is, to establish gaming ordinances and to meet with the Tribal Council and develop a state gaming compact. He advised at that time, [REDACTED] was short of cash; therefore, [REDACTED] helped cover his expenses utilizing his American Express card.

[REDACTED] advised he did not know that TIS was telling their investors that the lottery would be on-line some time in March of 1995. He advised he had no knowledge pertaining to TIS's affiliation with any Japanese investors. He stated he never saw the package that was given to various investors by TIS until he received a couple from various victims who had contacted the Band of Maliseet Indians.

196B-CI-64415

Continuation of FD 302 of [REDACTED], On 3/21/95, Page 3

He advised that during the last contact he had with [REDACTED]
[REDACTED] told him that [REDACTED] had been arrested on [REDACTED]
[REDACTED]

[REDACTED] advised he had no information whatsoever pertaining to the movement of funds of investors related to the TIS investment. He advised that the Band received a packet from the Chicago SECURITIES AND EXCHANGE COMMISSION (SEC) on Thursday, March 16, 1995. He believed that [REDACTED] had been subpoenaed to testify in front of this commission in Knoxville, Tennessee, or to give a deposition.

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[REDACTED] advised he himself joined the program and invested after he had received a fax from a complainant whom he identified as [REDACTED]. He advised he received this facsimile from [REDACTED] on January 20, 1995, and his investment number was assigned as [REDACTED]. [REDACTED] also advised that [REDACTED] told him that [REDACTED] backed out of the deal because TIS did not follow SEC regulations pertaining to licensing.

[REDACTED] advised that the tribe was going to construct a building on approximately 53 acres that were just purchased approximately one month ago. This new building was going to house various telecommunications devices that were to be used in the National Indian Lottery Program.

[REDACTED] advised that the Maliseet Band has not applied to the State of Maine for a state compact yet. He advised that [REDACTED] is still looking into this situation and is putting the compact together. He advised that the tribe or band does have an ordinance in place.

When questioned about the 53 acres purchase, [REDACTED] advised that this 53 acres was also purchased for other investments such as a high stakes Bingo game and/or a shopping mall. He advised this land is currently being held in fee and not in trust.

[REDACTED] advised he would forward to the FBI office in Bangor, Maine, all documentation maintained by the tribe in relationship to the TIS/Maliseet Band of Indian agreements that were entered into as well as other documentation including the wire transfer of funds, etc. The interview was then terminated.

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 3/29/95

On March 28, 1995, Special Agent [redacted] received copies of two tapes which were forwarded to the Bangor, Maine Resident Agency by the Houlton Band of Maliseet Indians. These tapes arrived by certified mail under number Z 267 912 644. Enclosed with these tapes was a letter written to the FBI by [redacted] [redacted] Houlton Band of Maliseet Indians. The tapes received are identified as Centron CTX-1190 tapes bearing the date of January 11, 1995, Side One, Side Two and Side Three. The original tapes are being maintained by the Houlton Band of Maliseet Indians at their office located in Houlton, Maine.

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Investigation on 3/28/95 at Bangor, Maine File # 196B-CI-64415 -77
by SA [redacted] srw Date dictated 3/28/95

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- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 3/29/95

On March 23, 1995, the Bangor, Maine Resident Agency received in the United States mail a packet sent by the Houlton Band of Maliseet Indians, Route 3, Box 450, Houlton, Maine. This packet was sent to the attention of [redacted] Special Agent-FBI, P.O. Box 78, Bangor, Maine, 04401. This packet contained information relating to the venture entered into by the band with TELEPHONE INFORMATION SYSTEMS (TIS). All documents received are being maintained in the original mailing envelope that was forwarded to the FBI.

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Investigation on 3/23/95 at Bangor, Maine File # 196B-CI-64415 ⁻⁷⁸
by SA [redacted] srw Date dictated 3/28/95

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TO:



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FROM:

SUBJ: ENROLLMENT TO TIS AS MEMBER

PER REVIEW OF ^{my} ENROLLMENT DATE WITH

TIS AS A MEMBER. IT WAS JAN 13, 1995 PM

THAT I JOINED.

called in information (check by phone)
TEL-

STOPPED PAYMENT FEB 16, 1995. (CHECKS WERE NOT PROCESSED)

PS - PLEASE FIND ATTACHED, TWO INDIVIDUAL MEMBERS WHO SENT ME
COPIES OF FAX INFORMATION ON ENROLLING ~~AND~~ ^{and} HOW MEMBERS WOULD BENEFIT
FINANCIALLY FROM ENROLLING.

- 1)
- 2)



196B.CT-64415-79

SEARCHED	INDEXED
SERIALIZED <i>RD</i>	FILED <i>RD</i>
APR 10 1995	
FBI - CINCINNATI	

WORLD - WIDE LOTTERY

**YOU CAN EARN MONEY FROM
EVERY TICKET SOLD!**

**IMAGINE- PAYOFFS OF
\$300 MILLION / WEEK!
YOUR POTENTIAL IS
STAGGERING!!**



Greetings:

This is not about buying lottery tickets! This is about how you can profit from a huge worldwide lottery system which is about to be started--there will be profit on every ticket sold, to the tune of thousands of dollars per week or more.

TIME IS OF THE ESSENCE!! THIS OPPORTUNITY IS VERY LIMITED.

You can get a four page report via fax-on-demand by calling 512-505-8802. Only people in North America joining before January 14, 1995 will be included. Once it is closed, this opportunity will be gone forever!!!

Call the following important number now:

INFORMATION HOTLINE-----513-884-4771.
513-684-4771

Join instantly by calling Group Dynamics Downline at 513-832-4788. Please tell them I referred you and give my ID# which is listed below as a reference.

DONT DELAY! Call the hotline and get started right away! We will make sure you have the required downline today.

I also strongly suggest you hear the **CONFERENCE CALL TONIGHT** or any night of the week at 10pm EST / (7 pm PST). Also available at 1pm EST (10am PST) on Saturdays! To get on the calls dial 215-582-7400, at the tone press 1125 and at the next tone press 405, wait and listen. On Tuesdays only, press 1131 tone and 415.

First call the hotline number, then get the fax-on-demand report. If you decide to join, be sure to insert my name and ID number in the "referred by" section of the application, but do not fill in the sponsor information!

Thanks!

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b7c

THIS IS EXPLOSIVE

TELEPHONE INFORMATION SYSTEMS

MEMBER APPLICATION

YOUR GROUP DYNAMICS ID# _____

PLEASE PRINT LEGIBLY, USE BLACK INK

Name _____ SS or Federal ID# _____

Address _____

City _____ State _____ Zip or Postal Code _____

Phone Number _____ Fax _____

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REFERRED BY: _____

REFERRER'S
GROUP DYNAMICS ID# _____

1. I am of legal age to enter into this agreement.
2. I shall become a member of Telephone Information Systems upon acceptance of this agreement.
3. Telephone Information Systems may at its discretion modify the marketing plan or any other rules it deems necessary.
4. I will only use company approved literature and seek written approval for any advertising I may do.
5. I understand that I am an independent contractor.

I acknowledge that I have read and agree to the terms set forth in this agreement.
This agreement is not in force until accepted by Telephone Information Systems.

X Signature _____ Date _____

 LEAVE
BLANK

GROUP DYNAMICS DOWNLINE PLACEMENT COORDINATOR WILL COMPLETE THIS SECTION.

Sponsor's Name _____

Sponsor's SS or Federal ID# _____

Sponsor's Phone (____) _____

METHOD OF PAYMENT (Check one)



- ☐ Check by Fax AVAILABLE 24 HOURS (Follow Directions Below)
- ☐ Check by Phone Call 1-513-932-8898 and give your check information
Note: This number is for phoning in your membership BETWEEN 3 - 9 PM ONLY
- ☐ Money Order Send to: GROUP DYNAMICS DOWNLINE
1109 Navaho Dr.
Lebanon, OH 45036-9227

Make Check or Money Order payable to GROUP DYNAMICS DOWNLINE.

"Check by FAX"

Tape your \$189 signed check here and FAX to (513) 932-8049.

**PLEASE DO NOT MAIL THIS CHECK
AFTER YOU HAVE FAXED IT TO US.**

Your check will be processed as if you had sent it to us in the mail.

This is the fastest, most efficient method of payment
and is the one to use for IMMEDIATE PROCESSING.

SENT BY: YOUR BRANCH OFFICE ; 11-17-94 ; 9:18PM

b6
b7C

To: _____

Fax Number: _____

Company: _____

Business Phone: _____

Number of Pages (including this one): 3

Fax Transmission

From: _____

Company: _____

Telephone: _____

kinko's

Your branch office

1538 Bardstown Road,

Louisville, KY 40205

(502) 473-1778

Fax (502) 473-0994

Open 24 Hours

☐ Urgent

☐ Confidential

Comments:

If you have any problems receiving this fax, call (502) 473-1778

SENT BY: YOUR BRANCH OFFICE 11-17-94 ; 8:18PM

Admitted in KY and IN

Louisville, KY 40205

TEL.

November 17, 1994

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Houlton Band of Maliseet Indians
Rt. 3, Box 450
Littleton, ME

Dear

Via fax

Thank you for your telephone call confirming that the Houlton Band is interested in a proposal of PleasureTime regarding Class III gaming, specifically a lottery. I am sending with this letter a confidentiality agreement, which we would like for you or another authorized representative to sign. This group's financial backing and programming have already been set up. This is a markedly different and exclusive concept, and the investors would like to protect the idea. We realize that it would be necessary for a compact to be negotiated with the Governor of Maine.

Please let me know if you have further questions.

FAX no.

SENT BY: YOUR BRANCH OFFICE

1-17-84 ; 9:18PM

Admitted in KY and IN

Louisville, KY 40205

TEL.

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CONFIDENTIALITY AGREEMENT

Re: Negotiations between the Houlton Band/
Maliseet Indians and PleasureTime/Divi-
sion of TIS regarding a lottery

In consideration of the fact that PleasureTime has entered into negotiations with the Houlton Band/Maliseet Indians regarding a proposal for Class III gaming, specifically a lottery, which would benefit the Tribe if it accepts the concept and enters into a contract with PleasureTime, the Tribe hereby promises to preserve the confidentiality of the concept and its negotiations with PleasureTime for 180 days after this date.

Title:
for the Houlton Band

Date:

2

HOULTON BAND OF MALISEET INDIANS

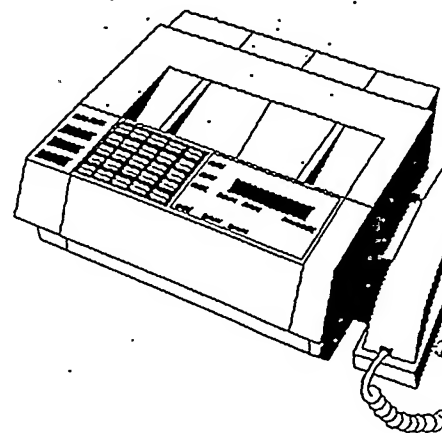
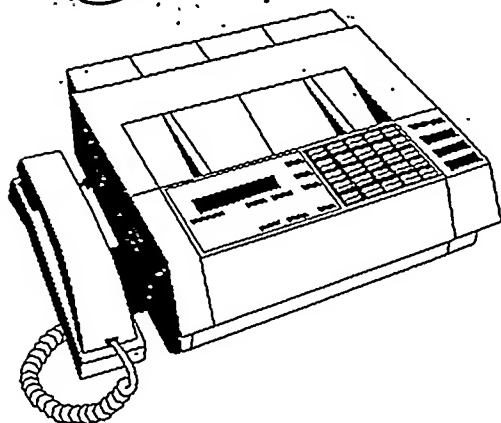
R.R. 3, BOX 450

HOULTON, MAINE 04730

TELEPHONE: (207) 532-4273

1-800-564-8524

TELEFAX (207) 532-2660



DATE: 11-18-94

TO:

OFFICE: Attorney at Law

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b7c

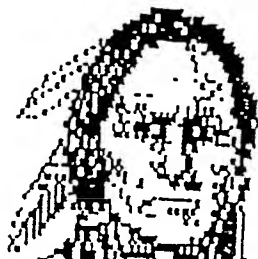
FROM:

Total number of pages including cover sheet 2

COMMENTS:

Please give me a call as soon as you receive this Agreement.

T H A N K S !



SENT BY: YOUR BRANCH OFFICE

11-17-94 ; 9:19PM

b6
b7C

Admitted in KY and IN

Louisville, KY 40205

TEL. [REDACTED]

CONFIDENTIALITY AGREEMENT

Re: Negotiations between the Houlton Band/
Maliseet Indians and PleasureTime/Division of TIS regarding a lottery

In consideration of the fact that PleasureTime has entered into negotiations with the Houlton Band/Maliseet Indians regarding a proposal for Class III gaming, specifically a lottery, which would benefit the Tribe if it accepts the concept and enters into a contract with PleasureTime, the Tribe hereby promises to preserve the confidentiality of the concept and its negotiations with PleasureTime for 180 days after this date.

[REDACTED]
Title:
for the Houlton Band

Date:

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b7c

SENT BY: YOUR BRANCH OFFICE

; 12- 5-94 : 9:38AM

1 / 2

Fax Transmission

To: _____

Fax Number: _____

Company: Houston Band

Business Phone: _____

From: _____

Company: _____

Telephone: _____

Number of Pages (including this one): 2

☐ Urgent ☐ Confidential

kinko's
Your branch office

1538 Bardstown Road
Louisville, KY 40205
(502) 473-1778
Fax (502) 473-0994
Open 24 Hours

Comments:

If you have any problems receiving this fax, call (502) 473-1778

Admitted in KY and IN

Louisville, KY 40205

TEL. [REDACTED]

b6
b7c

December 3, 1994

[REDACTED]
Houlton Band of Maliseet Indians
Houlton, ME 04730

VIA FAX [REDACTED]

Dear [REDACTED]

I received your fax with the confidentiality agreement right before Thanksgiving, and I apologize for taking so long to get back with you. However, we can now confirm that [REDACTED] from PleasureTime would like to meet with you next week, specifically December 14. We hope that either you or [REDACTED] will be available. Although I realize it may not be possible or convenient, could you meet [REDACTED] in Bangor? This will avoid his having to spend a night. Please let me know. Thank you.

Sincerely,

Fax No: [REDACTED]

~~15-16-94~~ PM

MFR: MEETING WAS HELD AT TRIBE'S OFFICE ON 12-16-94, [REDACTED]

and [REDACTED]

MET WITH COUNCIL. (SEE MINUTES DATED Dec 16, 1994)

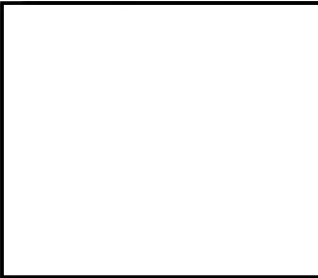
4

HOULTON BAND OF MALISEET INDIANS
SPECIAL TRIBAL COUNCIL MEETING

DECEMBER 16, 1994

HOULTON BAND OFFICE

TRIBAL COUNCIL MEMBERS PRESENT:



Tribal Chief

OTHERS PRESENT:



of Pleasure Time

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Meeting began at 11:00 p.m.

This meeting was not taped. The purpose of this meeting was to discuss a possible business venture with the two representatives of Pleasure Time.

There were no motions or tribal resolutions at this meeting.

4

Dec 16th minutes

AGREEMENT signed by chief

Background information

Presented to council on

Dec 16th

AGREEMENT

T.I.S., Inc. and the Houlton Band of Maliseet Indians agree as follows:

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1. That the parties will jointly work for the establishment of a national/international lottery via the 900 number phone system located on Maliseet Indian property managed by T.I.S., Inc.

2. That all necessary capital shall be provided by T.I.S., Inc., for the establishment of said lottery and the acquisition of a state compact and shall include legal fees if T.I.S., Inc. selects the lawfirm; and further, that no claim for any expenditures by T.I.S., Inc. shall be born by, claimed from, due from or paid by the Houlton Band of Maliseet Indians regardless of the success, or failure, of the joint effort to establish a lottery or obtain a state gaming compact.

3. That the parties agree in principal with the Proposal submitted by T.I.S., Inc., a copy of which is attached hereto.

4. That either party may terminate this agreement, at will, without cause, without any penalty or without any payment whatever to the other party by so notifying the other party in writing. And further, the parties agree to a mutual good-faith effort to obtain a binding agreement.

5. That a final binding agreement shall be entered into upon the obtaining between the Tribe and the State of Maine of a compact by T.I.S., Inc., provided the parties can in mutual good faith agree to such.

T.I.S., by its attorney
[redacted]

[redacted]
[redacted] Tribal Chief
Houlton Band of Maliseet Indians

Date: December 19, 1994

BACKGROUND

T.I.S.

T.S.F. is a Florida Corporation started in early ¹⁹⁹⁴ ~~1944~~ by []

[] who initially conceived the idea of a world-wide lottery using a 900 number system. [] brought together various people with appropriate skills to explore the feasibility of his idea.

The very first consideration was the legality of a multi-state and country lottery. Legal research by a Louisville, Kentucky, law firm confirmed that such a lottery was legal. Factors considered were the floor debate of the Indian Gaming Regulatory Act, multi-state Powerball lottery, off-track simulcast betting, present 800 number state lotteries, and the statute itself.

Next addressed was the financing which was obtained by contracting with a group of over 5,000 members. At that point, the selection process of an Indian tribe started.

The idea is simple: use a 900 number and a computer to sell lottery tickets. The actual prize is determined after 60 days which allows for non-payment. Limits on the amount any number can spend per week would be in force. The limit would help overcome objections to overspending by persons with low or limited income. The winner would be the person in whose name the number is listed or billed.

For the last fiscal year state lotteries had a gross of over \$11 billion, and Indiana gaming had a gross of \$2.6 billion.

When all forms of just, legalized gaming are taken into account, the gross is staggering, and each state views gaming as a new source of revenue. Approximately one-third of the federally recognized 545 tribes now have some form of gaming, and the states are rushing into casinos and river boats.

Gaming, to be successful, requires imported dollars, that is dollars from outside the local of the operation. As more and more gaming operations open, the probability of imported dollars decreases. A situation which would leave the late arrival in the gaming picture in a poor profit position.

McDonald's was started with a very simple idea: prepare the food before the customer orders it so it can be handed to him/her at the time of the order. While that simple idea has changed the food service business, and spawned countless imitators, *McDonald's* remains number one. So, too, should be the position of the first national lottery, and it is, therefore, imperative to be first.

Additionally, a national lottery should be self-feeding in terms of growth. As the prize grows, so grows the people who desire to participate, which causes the prize to grow, which attracts more people, which causes the prize to grow, which and on and on.

At present there are 34 state lotteries grossing over 11-billion dollars, and if the national lottery could acquire just ten percent of the existing lottery dollars, that lottery would be in the amount of 40-million dollars per week. If an annuity to pay off the winner could be purchased for 75 percent of the payoff amount, then the profit from this project would be 10-million per week, plus whatever profit can be made from the operational portion. It is reasonable to suspect that those people located in states without a lottery would make up a significant portion of the Indian lottery.

Therefore, it is reasonable to expect a lottery in the amount of 100-million dollars per week with profits in excess of 25-million

dollars per week. When this profit potential exists, it is extremely desirable to be the first one to start the program just as *McDonald's* was the first fast food outlet.

c:\wp51\doc\indian.inf

PROPOSAL

T.I.S., Inc., submits to the Maliseet Indian Nation the following proposal for consideration:

1. T.I.S., Inc., proposes to provide all the necessary start-up capital to establish a national lottery using the 900 number phone system. Such start-up expenses shall consist of hardware, software, publicity, phone system, necessary office equipment, and legal costs, provided T.I.S., Inc., selects the legal staff. The physical facilities for operation shall be provided by the Maliseet Indian Nation.

2. T.I.S., Inc., shall be responsible for the operation of said system and shall be responsible for all accounts receivable, subject to approval and audit by the Maliseet Indian Nation.

3. The initial phone charge shall be Seven Dollars (\$7.00) per call with Three Dollars and Fifty Cents (\$3.50) going into the lotto winner pool and Three Dollars and Fifty Cents (\$3.50) for the system operations; however, the Maliseet Indian Nation shall have the right to modify the financial distribution of initial phone charges to insure a profit as the Maliseet Indian Nation deems necessary.

4. The exact lotto pool shall be determined sixty (60) days after the number drawing and to be paid in twenty (20) equal annual installments by use of purchasing secure annuities or government instruments.

5. The winner payments shall be provided by the purchase of an annuity or similar guaranteed finding method determined by the Maliseet Indian Nation and T.I.S., Inc.

6. The profit, if any, from the operational Three Dollars and Fifty Cents (\$3.50) revenue shall be divided by the Maliseet Indian Nation and T.I.S., Inc., with the Maliseet Indian Nation receiving sixty-six and two-thirds percent (66 2/3%) and T.I.S., Inc., receiving thirty-three and one-third percent (33 1/3%), and the difference between the lotto pool and the payment funding expense shall be likewise divided between the parties.

7. The terms of the agreement shall be for five (5) years with an option to renew and provided further that T.I.S., Inc., shall have the right to match any other management offer should the parties fail to reach renewal terms.

8. All equipment purchased and or leased by T.I.S., Inc., except Indian property and improvements to Indian property shall remain the property of T.I.S., Inc.

T.I.S., Inc., By its attorney

[Redacted Signature]

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GAMING COMPACT BETWEEN
THE HOULTON BAND OF MALISEET INDIANS AND
THE STATE OF MAINE

THIS TRIBAL-STATE COMPACT, made and entered into by and between the HOULTON BAND OF MALISEET INDIANS, a federally recognized Indian Tribe, and the STATE OF MAINE, pursuant to the provisions of the Indian Gaming Regulatory Act, Pub.L. 100-497, 25 U.S.C. SS2701 et seq. (hereafter IGRA or Act).

DECLARATION OF POLICY AND PURPOSE

IGRA provides for the negotiation of compacts between States and Tribes to govern the conduct of Class III gaming. Indian tribes under the IGRA have the right to regulate gaming activities on Indian lands if the gaming activity is not specifically prohibited by federal law and is conducted within a state which does not, as a matter of criminal law and public policy, prohibit such gaming activity. The purpose of the Act is to provide a framework for the operation of gaming by Indian tribes as a means of promoting Tribal economic development, self-sufficiency, and strong Tribal governments, as providing a basis for the regulation of gaming by an Indian tribe adequate to shield it from criminal and corrupt influences, to ensure that the Tribe is the primary beneficiary of the gaming operations, to protect the health, welfare, and safety of the public, and to assure that all activities are conducted with honesty and financial integrity and that Class III gaming is completely and fairly regulated on an on-going basis.

It is the stated intention of the Tribe and the State to cooperate, based on a shared concern for the welfare and protection of all the members of the Tribe and the citizens of the State. The parties desire to further the purposes of the IGRA for the benefit of the Tribe

and the protection of the State by creating a cooperative means by which the Tribe may lawfully conduct Class III gaming activities on its land in conjunction with the State. To that end, this Compact defines the manner in which laws regulating the conduct of the Tribe's Class III gaming activities are to be applied in order that the respective Tribal and State interests may be met.

In the spirit of cooperation, the parties hereby set forth in joint effort to implement the terms of this Compact in good faith. The parties recognize that gaming may provide a positive financial impact for the tribe, thus enabling the Tribe to use these financial resources to fund programs that provide vital services to Tribal citizens, such as education, health and human resources, housing, road construction, and sewer and water projects.

(Reserved for statement re Maine laws)

The Tribe and State believe that the conduct of Class III gaming under the terms and conditions set forth below will, from a regulatory perspective, benefit the Tribe and the State and protect the members of the Tribe and the citizens of the State consistent with the objectives of the IGRA.

DEFINITIONS

AUTHORIZED CLASS III GAMING

1) Following the approval of this Compact as provided in the Act, the Tribe may operate in its gaming facilities, located on Indian lands, the following types of games:

- a) Lottery
(Definition of proposed lottery to be placed here)
(Tribe may want to add more things to this list)

- 2) (To be inserted: description of the facility/ies)
- 3) Forms of payment
- 4) Safety conditions, hours, etc.
- 5) Prohibitions: minors, firearms, etc.

REGULATIONS

The Tribal Council shall regulate, operate and manage authorized Class III gaming in accordance with the terms of this Compact, and its Gaming Ordinances and/or Regulations. The Tribal Council shall take legislative action adopting the terms of this Compact and regulations into Tribal Law. The Tribal Council may adopt, amend or repeal such regulations or codes, consistent with the policy, objectives, purposes and terms of this Compact.

The Tribe, through its Tribal Council, shall have ultimate responsibility for the conduct of all gaming conducted by the Tribe. It shall retain responsibility for entering into management contracts or the selection of gaming operators. The Tribe shall own the gaming facility.

A Tribal Gaming Agency shall be established by the Tribal Council. It shall consist of . . .

The primary responsibility for the on-site regulation, control and security of the gaming operations authorized by this Compact, and for the enforcement of this Compact on tribal land, shall be that of the Tribal Gaming Agency.

The Tribal Gaming Agency shall have the following powers:

- a) Proposes regulations, rules and bylaws consistent with the Act, Gaming Ordinances/Regulations and this Compact for the operation and management of all Class III gaming and facilities.

- b) Adopt standards for and issue licenses for Class III gaming facilities.
- c) Determine compliance with this Compact, Gaming Ordinances/Regulations and other applicable law.
- d) Take appropriate disciplinary action for violations of this Compact, Gaming Ordinances/Regulations and other applicable law.
- e) Provide for adequate security at authorized gaming facilities.
- f) Determine appropriate methods for receipt of gaming revenue, and specification of disbursements and payouts.
- g) Enforce all relevant laws in the gaming operation.
- h) Ensure the physical safety of patrons and personnel.

MANAGEMENT CONTRACTOR

The Tribe may enter into management contracts for the development and management of gaming authorized by and consistent with this Compact, and in accord with the Act and Tribal Gaming Ordinances/Regulations. The management contract shall be submitted to the Chairman of the National Indian Gaming Commission for approval, and no management contractor may operate gaming if there has not been approval of said contract.

LICENSING REQUIREMENTS

The Tribal Gaming Agency shall be responsible for issuing any necessary facility or personal licenses.

All gaming employees shall be licensed by the Gaming Agency. The Agency shall promulgate specific licensing requirements for gaming employees.

(This will probably be expanded greatly. In some cases, the state gaming entity has huge negotiated powers.)

The Tribe will license:

- a) Each gaming operation and/or facility.
- b) Every gaming employee.
- c) Every management company, including its principals.
- d) Each manufacturer or supplier of gaming services.

Each applicant for a Tribal Gaming License shall submit a completed application to the Tribal Gaming Agency. The application shall be accompanied by a fingerprint card, two current photographs and the required fee.

The Tribal Gaming Agency may revoke, suspend or deny a license for any reason it deems to be in the public interest. A full hearing is required.

A license shall be in effect for one year from date of issuance. Applicants for renewal shall provide updated material on the appropriate renewal forms.

REGULATORY JURISDICTION

(This section will probably include statement of jurisdiction between the Tribe and the state lottery agency. It should also include any cooperation/supervision which the State wishes to have with the Tribe. It can also include the law enforcement jurisdiction as well as taxing authority.)

The Tribal Gaming agency shall adopt ordinances and/or regulations to govern the operation and management of the gaming operation conducted pursuant to this Compact, as provided by 25 U.S.C.

SS2701 (d)(1)(A). Any regulation or ordinance adopted by the Tribe shall ensure that the interest of the Tribe and the State relating to Class III gaming are preserved and protected.

(State will probably insist on provisions for notification of revisions of the regulations or ordinances, with an opportunity to disagree. It will also probably wish to have a section providing for monitoring of compact provisions.)

AUDITS

The Tribe shall undertake an independent audit of all books, records, gaming and cash control procedures of all Class III gaming activities at least once in each fiscal year. Such audit shall be conducted by an independent CPA with experience in auditing gaming operations.

(Sections should also be added providing for amendments, severability, notices, entire agreement, and authority to execute.)

~~SECRET~~
AGREEMENT

T.I.S., Inc. and the Maliseet Indian Nation agree as follows:

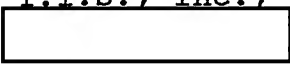
1. That the parties will jointly work for the establishment of a of a national/international lottery via the 900 number phone system located on Indian property managed by T.I.S., Inc.

2. That all necessary capital shall be provided by T.I.S., Inc., for the establishment of said lottery and the acquisition of a state compact and shall include legal fees if T.I.S., Inc. selects the lawfirm; and further, that no claim for any expenditures by T.I.S., Inc. shall be born by, claimed from, due from or paid by the Maliseet Indiana Nation regardless of the success, or failure, of the joint effort to establish a lottery or obtain a state gaming compact.

3. That the parties agree in principal with the Proposal submitted by T.I.S., Inc., a copy of which is attached hereto.

4. That either party may terminate this agreement, at will, without cause, without any penalty or without any payment whatever to the other party by so notifying the other party in writing. And further, the parties agree to a mutual good-faith effort to obtain a binding agreement.

5. That a final binding agreement shall be entered into upon the obtaining between the Tribe and the State of Maine of a compact by T.I.S., Inc., provided the parties can in mutual good faith agree to such.

T.I.S., Inc., by its attorney


MALISEET INDIAN NATION

REF: # 200 00

(5)

TELEPHONE
FAX

Dear [REDACTED]

Please forgive the handwriting but my girls are on vacation. Enclosed is my check for the purchase of an answering machine for the tribe. All calls you get should be referred to the public relations firm in Branson, Mo., phone [REDACTED]

Also this is to confirm that [REDACTED] and I will be in Houlton on Jan 10 & 11 for work on the Compact. Looking forward to the meeting.

Very truly yours
[REDACTED]

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ATTORNEY/TRUST
505 N WEST STREET
PRINCETON, IN 47670

491

Dec 27 1971 71-7171 2863

PAY TO THE
ORDER OF

[Redacted]

\$ 200.⁰⁰

Two hundred and no/100

DOLLARS



FOR *answering machine for Tuba*

[Redacted]

[Redacted]

(6)

Ref: \$ 5000 ⁰⁰.

TELEPHONE
FAX

January 5, 1995

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[redacted] Tribal Chief
Houlton Band of Maliseet Indians
Route 3, Box 450
Houlton, Maine 04730

Dear Chief [redacted]

First, let me apologize for the inconvenience that the members of T.I.S. have caused for you and your staff. As I mentioned at the time, the principals anticipated some inconvenience and wished to compensate the tribe for lost staff time, or for the employment of a full-time person to field inquiries. Therefore, enclosed is a check from the completion account for that purpose.

I am looking forward to next Tuesday and the work that lies ahead in obtaining the compact.

Once again, my sincere apologies for the inconvenience. I am contacting the principals to take whatever action is appropriate to eliminate the distraction.

Yours very truly,

[redacted]

[redacted]

Encl.

(Fed Express, pm 1595)

491b6
b7C

Dec 27, 1994 71-7171-2863

PAY TO THE ORDER OF

[Redacted]

\$ 200.00

Two hundred and no/100

DOLLARS



FOR answering machine for Tribe

[Redacted]

[Redacted]

Jan. 5, 1995

71-154/813

Pay to the order of Houlton Band of Maliseet Tribe \$ 5,000.00

XXXX Five Thousand Dollars and no CentsXXXXX Dollars



VINCENNES BICKNELL MONROE CITY SANDSBORN PRINCETON PATOKA IN

Star

[Redacted]

[Redacted]

DEPOSITED WITH
KATAHDIN TRUST COMPANY

PLEASE SEE REVERSE SIDE OF THIS RECEIPT
FOR IMPORTANT INFORMATION CONCERNING THIS DEPOSIT.

Account No.

Amount

9300-588-7

5,200.-



(7)

Houlton Band of Maliseet Indians

Special Tribal Council Meeting

January 11, 1995

Houlton Band Office

Tribal Council Members Present:

Tribal Chief

Others Present:

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[redacted] Tribal Chief called the meeting to order at 4:08 p.m. [redacted] explained that this is a Special meeting being held for the purpose of meeting with [redacted] and [redacted] on "Indian Lotto".

[redacted] made it known to [redacted] that this meeting is being tape recorded.

[redacted] stated he had no problem with this and also explained that with regard to an earlier problem, that he has instructed his principals that they are not to release any information until it has been sent to the Chief, for his input and presented to the Tribal Council. Nothing should go out until the Chief and Council has had a chance to see it. He stated that hopefully this will resolve some of the problems.

Discussion on what has transpired so far regarding the proposed agreement and meetings with [redacted] and TIS.

[redacted] made his presentation to the Tribal Council explaining what TIS proposes and all aspects of the business venture.

[redacted] a member of the Blackfoot Tribe, also made a presentation to the Tribal Council regarding all aspects of gaming, and also specifically on his own tribe.

[redacted] stated that he is offering [redacted] consulting service/knowledge to the Maliseet Tribe for a week, to come back to Maine and work with the necessary personnel on the gaming matters that need to be worked out.

It was suggested that [redacted] come back here during the first or second week of February.

[redacted] made the motion to adjourn at 6:15 p.m.

[redacted] seconded the motion.

VOTE: In favor- Unanimous.

Katahdin Trust Company

MAINE
28-2211

ISLAND FALLS, MAINE
PHONE 463-2228

OAKFIELD, MAINE
PHONE 757-8288

HOULTON, MAINE
PHONE 532-4277

PRESQUE ISLE, MAINE
PHONE 764-8000

Please use reverse side for
balancing your account

8

HOULTON BAND MALIS...
GENERAL OPERATING ACCT
RR 3 BOX 450
HOULTON ME 04730

STATEMENT PERIOD
LAST ENDING
12/29/94 1/30/95

PAGE 2

TAX# 01 0374067

TRANSACTIONS					
CHECK NUMBER	AMOUNT	CHECK NUMBER	AMOUNT	DATE	BALANCE

44TA ACCOUNT	93002004				
7038	500.00 CK	7019	1469.59 CK	1/10/95	69744.71
7035	1980.20 CK	7074	3200.00 CK	1/10/95	64564.51
7078	25.00 CK	7062	25.00 CK	1/11/95	64514.51
7069	75.00 CK	7024	85.90 CK	1/11/95	64353.61
7022	99.90 CK	7054	175.00 CK	1/11/95	64078.71
7051	254.75 CK	7075	410.90 CK	1/11/95	63413.10
7084	14.09 CK	7056	25.00 CK	1/12/95	63374.01
7094	34.00 CK	7097	135.25 CK	1/12/95	63204.76
7083	166.00 CK	7050	379.42 CK	1/12/95	62659.34
7096	79.61 CK	7068	250.00 CK	1/13/95	62329.71
7044	500.00 CK	7086	11745.00 CK	1/13/95	50084.71
7039	22.00 CK	7057	60.00 CK	1/17/95	50002.71
7111	61.07 CK	7114	166.87 CK	1/17/95	49774.79
7091	179.34 CK	7104	234.71 CK	1/17/95	49360.74
7088	271.34 CK	7120	662.50 CK	1/17/95	48426.90
7119	827.00 CK	7095	963.89 CK	1/17/95	46636.01
7116	1421.98 CK			1/17/95	45214.03
7093	16.91 CK	7124	53.80 CK	1/18/95	45143.37
7103	141.90 CK	7117	165.00 CK	1/18/95	44836.47
7061	167.82 CK	7109	256.94 CK	1/18/95	44411.67
7118	281.00 CK	7105	289.81 CK	1/18/95	43840.87
7089	293.03 CK	7099	2139.33 CK	1/18/95	41400.47
7100	2194.92 CK			1/18/95	39213.57
7090	6.27 CK	7113	8.00 CK	1/19/95	39199.20
7123	22.04 CK	7087	50.23 CK	1/19/95	39126.98
7107	107.38 CK	7102	127.50 CK	1/19/95	38892.10
7129	238.00 CK	7112	599.00 CK	1/19/95	38055.10
	12532.51 DP		15000.00 DP	1/20/95	65587.61
7134	15.00 CK	7016	20.00 CK	1/20/95	65542.61
7126	25.00 CK	7108	29.90 CK	1/20/95	65497.71
7106	30.20 CK	7135	45.00 CK	1/20/95	65422.51
7125	51.00 CK	7131	80.00 CK	1/20/95	65291.01
7130	321.50 CK	7101	390.60 CK	1/20/95	64578.91
7092	568.79 CK	7110	2000.00 CK	1/20/95	62010.11
7098	37.02 CK	7137	400.00 CK	1/23/95	61573.10
7128	700.00 CK			1/23/95	60873.10

PLEASE SEE NEXT PAGE

MEMBER FDIC



KATAHDIN TRUST COMPANY
Patten - Island Falls - Oakfield
Presque Isle - Houlton, Maine

CREDIT MEMO
CREDIT ENTRY

DATE 1-20-95

WE ARE CREDITING YOUR ACCOUNT IN THE AMOUNT
SHOWN FOR: 2 Wire Transfers

Sn

9300-200-4

15,000.00

ACCOUNT NO.

AMOUNT

BY ek

Houlton Maliseets
RR 3 Box 450
Houlton, Me. 04730

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HOULTON BAND OF MALISEET INDIANS

ROUTE 3, BOX 450
HOULTON, MAINE 04730
TELEPHONE: (207)532-4273
1-800-564-8524

(9a)

March 17, 1995

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[REDACTED]
[REDACTED]
Louisville, KY 40205

Dear [REDACTED]

Please be advised that on February 28, 1994, the Tribal Council of the Houlton Band of Maliseet Indians officially terminated the preliminary agreement with T.I.S., Inc., which was to jointly work for the establishment of a national/international lottery.

Your prompt attention to notify T.I.S. officials of this decision would be greatly appreciated. Should you have any questions, please feel free to call.

Regretfully,

[REDACTED]
Tribal Chief

[REDACTED] djl

HOULTON BAND OF MALISEET INDIANS

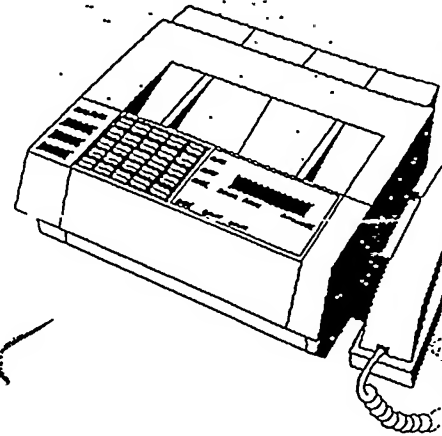
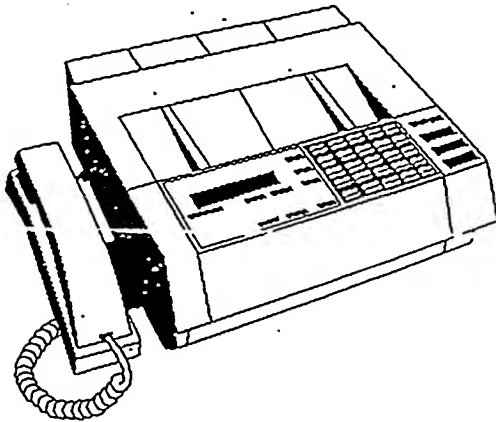
R.R. 3, BOX 450

HOULTON, MAINE 04730

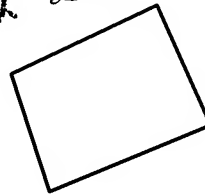
TELEPHONE: (207) 532-4273

1-800-564-8524

TELEFAX (207) 532-2660



FAxed AT
11:45 AM
MARCH 22, 1995



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DATE: 3-22-95

TO: OFFICE: FBI
Bangor, ME

FROM:

Total number of pages including cover sheet 3

COMMENTS:

PER Your REQUEST

AO 88 (11/91) Subpoena in a Civil Case

United States District Court

BANGOR DIVISION

DISTRICT OF

MAINE

FOR A CASE PENDING IN THE USDC FOR THE SOUTHERN DISTRICT OF OHIO
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

SUBPOENA IN A CIVIL CASE

PLEASURE TIME, INC., d/b/a TELEPHONE
INFORMATION SYSTEMS

CASE NUMBER: C-1-95-178

[REDACTED] d/b/a GROUP DYNAMICS DOWNLINE:
[REDACTED]b6
b7cAND
TO:[REDACTED] Tribal Chief
Houlton Band of Maliseet Indians
Route 3, Box 450
Houlton, Maine 04730☐ YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below to testify in the above case.

PLACE OF TESTIMONY

COURTROOM

DATE AND TIME

☒ YOU ARE COMMANDED to appear at the place, date, and time specified below to testify at the taking of a deposition in the above case.PLACE OF DEPOSITION Wyndham Garden Hotel
1112 Airport Center Drive
Nashville, Tennessee

DATE AND TIME

March 21, 1995
4:30 p.m.☒ YOU ARE COMMANDED to produce and permit inspection and copying of the following documents or objects at the place, date, and time specified below (list documents or objects):

SEE ATTACHED RIDER

PLACE

Wyndham Garden Hotel
1112 Airport Center Drive
Nashville, Tennessee

DATE AND TIME

March 21, 1995
4:30 p.m.☐ YOU ARE COMMANDED to permit inspection of the following premises at the date and time specified below.

PREMISES

DATE AND TIME

Any organization not a party to this suit that is subpoenaed for the taking of a deposition shall designate one or more officers, directors, or managing agents, or other persons who consent to testify on its behalf, and may set forth, for each person designated, the matters on which the person will testify. Federal Rules of Civil Procedure, 30(b)(6).

ISSUING OFFICER'S NAME, ADDRESS AND PHONE NUMBER (INDICATE IF ATTORNEY FOR PLAINTIFF OR DEFENDANT)

DATE

March 17, 1995

ISSUING OFFICER'S NAME, ADDRESS AND PHONE NUMBER

Robert J. Burson

Attorney for Plaintiff

Securities and Exchange Commission
500 W. Madison, 14th Floor
Chicago, IL 60661-312/353-7423

RIDER TO SUBPOENA TO

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Please produce all documents in your possession, custody or control, relating to Pleasure Time, Inc., d/b/a/ Telephone Information Systems and Group Dynamics Downline.



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
MIDWEST REGIONAL OFFICE
CITICORP CENTER
500 WEST MADISON STREET
SUITE 1400
CHICAGO, ILLINOIS 60661-2511

FACSIMILE COVER SHEET

DATE: 3.16.95
(MM/DD/YY)

THIS FACSIMILE WAS ORIGINATED BY:

TELEPHONE NO.:

MESSAGE:

Complaint & Order

TOTAL PAGES (Including THIS Cover Sheet):

29

PLEASE DELIVER TO:

NAME OF ORGANIZATION:

CITY and STATE:

FACSIMILE TELEPHONE NO.:

1. IF YOU DO NOT RECEIVE ALL THE PAGES, PLEASE CALL THE ORIGINATOR AT THE NUMBER ABOVE.
2. TO SEND A FACSIMILE TO US, PLEASE DIAL (312) 353-7398.

THIS FACSIMILE WAS SENT BY:

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

FILED

MAR 13 1995

KENNETH J. MURPHY, Clerk
CINCINNATI, OHIO

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

CIVIL ACTION NO.

PLEASURE TIME, INC., d/b/a TELEPHONE
INFORMATION SYSTEMS;

[REDACTED] d/b/a GROUP DYNAMICS

DOWNLINE;

and [REDACTED]

Defendants.

03-95-178

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PLAINTIFFS SECURITIES AND EXCHANGE COMMISSION'S COMPLAINT FOR
TEMPORARY RESTRAINING ORDER, PRELIMINARY AND PERMANENT INJUNCTIONS,
CIVIL PENALTIES, AND OTHER EQUITABLE RELIEF

Now comes the Plaintiff, Securities and Exchange
Commission ("Commission"), and alleges as follows:

1. Pleasure Time, Inc., d/b/a Telephone Information
Services; [REDACTED], d/b/a Group Dynamics Downline;

[REDACTED] and [REDACTED]

("Defendants"), directly and indirectly, have engaged, are
engaged and are about to engage in acts, practices and courses
of business which constitute violations of Sections 5(a), 5(c),
17(a)(1), 17(a)(2) and 17(a)(3) of the Securities Act of 1933,
as amended [15 U.S.C. 77e(a), 77e(c), 77q(a)(1), 77q(a)(2) and
77q(a)(3)] (the "Securities Act"), Sections 10(b), 15(a)(1) and
15(c)(1) of the Securities Exchange Act of 1934, as amended [15
U.S.C. 78j(b), 78o(a)(1), 78o(c)(1)] (the "Exchange Act") and

and has held himself out as an attorney for Telephone Information Services. [] was actively involved in the offer and sale of the securities described in this complaint.

THE FRAUDULENT INVESTMENT FUND SCHEME

13. Beginning in or before August 1994, and continuing to the present, Defendants sold and offered to sell unregistered securities, in the form of investment contracts called "memberships" in three related investment programs. The first program was offered between August 1994 and December 1994 and was called the TIS/World Wide Lottery and Compensation Plan ("World Wide Plan".) The second program was offered between December 1994 and January 14, 1995, and was called the TIS/American Indian Lottery Marketing & Compensation Plan ("American Indian Plan".) The third program has been offered from in or before February 1995 to the present and is referred to as the "European Leg," or American Indian Lottery Program ("European Leg"). The defendants have raised at least \$3.3 million through sales of the above-described securities to several thousand investors in numerous states and foreign countries.

14. No registration statement has been filed with the Commission or is in effect for the memberships in the World Wide Plan, the American Indian Plan, or the European Leg.

78o(c)], the Commission has promulgated Rules 10b-5 and 15c1-2 [17 C.F.R. 240.10b-5, 240.15c1-2], such rules being in effect at all times mentioned herein and at the present time.

THE DEFENDANTS

8. Pleasure Time, Inc. ("Pleasure Time") is a Florida corporation with its primary place of business in Lakeland, Florida. Pleasure Time also does business under the name "Telephone Information Services." Pleasure Time's primary business is operating a 900 number telephone service that provides sports information and fantasy calls. Pleasure Time, operating under the name Telephone Information Services, is the issuer of the securities described in this complaint.

9. [REDACTED] d/b/a Group Dynamics Downline, ("Group Dynamics Downline") is an unincorporated entity with its principal place of business in Lebanon, Ohio. Group Dynamics Downline was involved in the offer and sale of the securities described in this complaint.

10. [REDACTED] also known as [REDACTED] is, on information and belief, a resident of Lakeland, Florida. Welch is one of the owners of Pleasure Time and was actively involved in the offer and sale of the securities described in this complaint.

11. [REDACTED] is a resident of Lebanon, Ohio, and a principal of Group Dynamics Downline. Acra was

actively involved in the offer and sale of the securities described in this complaint.

12. [] is a resident of [] and has held himself out as an attorney for Telephone Information Services [] was actively involved in the offer and sale of the securities described in this complaint.

THE FRAUDULENT INVESTMENT FUND SCHEME

13. Beginning in or before August 1994, and continuing to the present, Defendants sold and offered to sell unregistered securities, in the form of investment contracts called "memberships" in three related investment programs. The first program was offered between August 1994 and December 1994 and was called the TIS/World Wide Lottery and Compensation Plan ("World Wide Plan".) The second program was offered between December 1994 and January 14, 1995, and was called the TIS/American Indian Lottery Marketing & Compensation Plan ("American Indian Plan".) The third program has been offered from in or before February 1995 to the present and is referred to as the "European Leg," or American Indian Lottery Program ("European Leg"). The defendants have raised at least \$3.3 million through sales of the above-described securities to several thousand investors in numerous states and foreign countries.

14. No registration statement has been filed with the Commission or is in effect for the memberships in the World Wide Plan, the American Indian Plan, or the European Leg.

15. Defendants have offered to sell and sold securities in the form of memberships through a "multilevel marketing" system in which buyers of securities are provided incentives to persuade others to purchase. Investors are allowed to purchase only one membership, priced at \$129 for the World Wide Plan, \$189 for the American Indian Plan, and \$200 for the European Leg. However, investors are informed that they can increase their return on investment dramatically, based on a formula, by recruiting other investors.

16. Defendants have solicited, and continue to solicit, investors by the use of telephones through, among other means, (1) a "fax on demand" system through which prospective investors can order sales literature purportedly describing the investment by telephonic facsimile transmission; (2) telephone conference calls, in which defendants describe the investment opportunity to, and answer questions from, prospective investors; and (3) recorded telephone "update" messages, through which prospective investors can receive information.

17. Prospective investors are told that by purchasing a membership, they can profit from a world wide telephone lottery to be conducted by Telephone Information Services, in conjunction with a Native American tribe, on a weekly basis. As described to investors, contestants will participate in the lottery by placing a 900 telephone call costing \$7.00 and allowing the contestant five chances to win. Investors are told that of every \$7.00 wager, \$3.50 will be directed to the

winners' pool, and the remainder will be divided between the Native American tribe, operating expenses, and the investors. Investors are further told that the pools for the early lotteries are expected to be \$300 million and that the size of the pools are expected to increase as word of the lottery spreads.

18. Through the sales literature distributed by Defendants, investors have been told that they can expect astronomical returns. Sales literature has described the programs as having, "without exception, the most lucrative income possibilities ever devised for the AVERAGE PERSON." Investors in the World Wide Plan were told that they could expect minimum returns of \$60.00 per week from an initial investment of \$129.00, with maximum returns in excess of \$10,000 per week. Investors have not been provided any financial statements or any other information concerning the financial condition of Telephone Information Services, Group Dynamics Downline, or their owners, principals, owners, or officers. In fact the sales literature does not disclose the addresses of the issuer.

19. From August 1994 to the present, through written sales literature and oral communications on telephone calls, Defendants made false and misleading statements to potential investors that suggested and indicated that the preparations for the lottery were virtually completed and that the lottery would begin soon. Specifically, sales literature for the World

Wide Plan stated that the lottery was "about to be started." The sales literature distributed through fax-on-demand for the World Wide Plan and the American Indian Plan stated that the lottery "will" occur and mentioned only one barrier to completion, that negotiations must be "finalized." On conference calls in the late fall of 1994, [] and others stated that the lottery was expected to begin in March 1995. Sales literature for the European Leg states that the lottery is expected to begin between August and October 1995.

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20. Contrary to Defendants' representations, the lottery was never "about to be started," has never been more than a preliminary and untested concept, and has never been close to fruition. Defendants have not obtained, or even sought, necessary legal approval to conduct the lottery, and have not planned, designed, ordered or completed the technology necessary to conduct a world-wide telephone lottery.

21. The sales literature for the World Wide Plan falsely stated that the lottery would be conducted in conjunction with an unnamed Japanese Company, and that the Japanese company had "presold 50,000 positions." Investors were told on conference calls that these positions reflected an investment of \$400 million, which would be used to finance the creation of the lottery and at advance the first payout. These statements were false because there was no involvement by a Japanese company in the lottery.

22. From August 1994 to the present, Defendants have repeatedly misrepresented the status of involvement of Indian tribes in the purported lottery. Sales literature for the World Wide Plan, provided to investors between August 1994 and December 15, 1994, stated that the lottery will be conducted by TIS with an unnamed Indian tribe. Investors were told that involvement of the Indian tribe would make the lottery legal. In a conference call in November 1994, [] and a representative of TIS stated that a contract with an Indian tribe was to be "finalized" or "hammered out" soon, possibly in the next week, that two Indian tribes were "eager" to sign an agreement and that TIS was choosing between the two, and that the names of the tribes could not be disclosed.

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23. Contrary to the representations described in paragraph 22, TIS was not, at any time between August 1994 and December 15, 1994, close to a final agreement with an Indian tribe. [] was not retained to negotiate an agreement with an Indian tribe until November 1994. During November and early December 1994, he asked one tribe in Idaho and five tribes in Arizona whether they would be interested in entering into an agreement, and all of them stated that they were not interested. An interested Indian tribe (the Houlton Band of the Maliseet Indians in Maine) was not even identified until mid-December 1994.

24. Between mid-December 1994 and January 14, 1995, defendants represented to prospective investors, in the

solicitation materials and in oral statements in conference calls and update calls, that an agreement had been reached with the Houlton Band of the Maliseet Indians (the "Houlton Band"), and that this agreement was a major step to the commencement of the lottery. The solicitation materials did not mention the need for agreement between the Tribe and the State of Maine. In conference calls the Tribal-State agreement was dismissed as a technicality. Defendants stated that the legality of the lottery was not in question, and that the State of Maine was expected to support the lottery.

25. Contrary to the representations set forth in paragraph 24, the Houlton Band had, through at least January 1995, signed only a preliminary agreement, which it could terminate at any time, to negotiate a contract with "TIS, Inc." In addition, Defendants failed to disclose serious and possibly insurmountable regulatory obstacles to the lottery. Among other things, defendants failed to disclose that neither the Houlton Band nor TIS had even begun to negotiate a legally required agreement with the State of Maine, and failed to disclose that it was the position of the State of Maine that it was not required to negotiate an agreement.

26. The sales literature provided to investors for the European Leg between January 1995 and the present mentioned the need for a Tribal-State Compact but falsely stated that it was being negotiated. In fact, the State of Maine has not been asked, and has not agreed, to negotiate a Compact.

27. From August 1994 to the present, the sales literature failed to disclose any technical obstacles to the commencement of the lottery. In addition, [] and TIS told prospective investors that TIS had the technology to conduct the lottery. In fact, TIS did not inquire into the technical feasibility of the lottery until December 1994, and was told by an engineering consultant in January 1995 that significant "complications" existed, including (a) the difficulties of providing telephone and computer system support to the remote location of the Houlton Band and (b) the fact that the anticipated volume of telephone calls was massive, exceeding the number of calls to the AT & T 1-800 voice mail system.

COUNT I

Violations of Section 5(a) and 5(c) of the Securities Act
[15 U.S.C. 77e(a) and 77e(c)]

28. Paragraphs 1 through 18 are hereby realleged and incorporated by reference herein.

29. From at least August 1994 to the present, Defendants Pleasure Time, Group Dynamics Downline, [] directly and indirectly, made use of the means and instruments of transportation and communication in interstate commerce and of the mails to sell and offer to sell, through the use and medium of a prospectus and otherwise, securities in the form of the investment contracts described in paragraphs 13 through 18 above and carried such securities and caused them to be carried through the mails and in interstate commerce by the means and

instruments of transportation for the purpose of sale and delivery after sale.

30. No registration as to the securities described in paragraph 29 above is in effect nor has any registration statement been filed with the Commission.

31. By reason of the activities described in paragraphs 28 through 30 above, Defendants Pleasure Time, Group Dynamics Downline, [REDACTED] violated Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. 77e(a) and 77e(c)].

COUNT II

Violations of Section 17(a)(1) of the Securities Act
[15 U.S.C. 77q(a)(1)]

32. Paragraphs 1 through 27 are hereby realleged and incorporated by reference herein.

33. From at least August 1994 to the present, Defendants Pleasure Time, Group Dynamics Downline, [REDACTED] by the use of the means and instruments of transportation and communication in interstate commerce and by the use of the mails, directly and indirectly, in the offer and sale of the securities described in paragraphs 13 through 18 above, have employed and are employing devices, schemes and artifices to defraud, all as more fully described in paragraphs 19 through 27 above.

34. Defendants Pleasure Time, Group Dynamics Downline, [REDACTED] knew or were reckless in not knowing of the facts and circumstances described in paragraphs 32 and 33 above.

35. By reason of the activities described in paragraphs 32 through 34 above, Defendants Pleasure Time, Group Dynamics Downline, [REDACTED] have violated Section 17(a)(1) of the Securities Act [15 U.S.C. 77q(a)(1)].

COUNT III

Violations of Sections 17(a)(2) and 17(a)(3)
of the Securities Act
[15 U.S.C. 77q(a)(2) and 77q(a)(3)]

36. Paragraphs 1 through 27 are hereby realleged and incorporated by reference herein.

37. From at least August 1994 to the present Defendants Pleasure Time, Group Dynamics Downline, [REDACTED] in the sale and offer to sell the securities described in paragraphs 13 through 18 above, by the use of the means and instruments of transportation and communication in interstate commerce and by the use of the mails, directly and indirectly, obtained money and property by means of untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, and engaged in transactions, practices and course of business which operated and will operate as a fraud and deceit upon purchasers and prospective purchasers of such securities, all as more fully described in paragraphs 19 through 27 above.

38. By reason of the activities described in paragraphs 36 and 37 above, Defendants Pleasure Time, Group Dynamics Downline, [REDACTED] have violated and are

violating Sections 17(a)(2) and 17(a)(3) of the Securities Act [15 U.S.C. 77q(a)(2) and 77q(a)(3)].

COUNT IV

Violations of Section 10(b) of the Exchange Act [15 U.S.C. 78j(b)] and Rule 10b-5 [17 CFR 240.10b-5] promulgated thereunder

39. Paragraphs 1 through 27 are hereby realleged and incorporated by reference herein.

40. From at least the August of 1994 to the present Defendants Pleasure Time, Group Dynamics Downline, [REDACTED] [REDACTED] in connection with the purchase and sale of the securities described in paragraphs 13 through 18 above, by the use of the means and instrumentalities of interstate commerce and of the mails, directly and indirectly, employed devices, schemes and artifices to defraud; made untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and engaged in acts, practices and courses of business which operated and will operate as a fraud and deceit upon purchasers and sellers and prospective purchasers and sellers of such securities, all as more fully described in paragraphs 19 through 27 above.

41. Defendants Pleasure Time, Group Dynamics Downline, [REDACTED] knew or were reckless in not knowing of the activities described in paragraph 40 above.

42. By reason of the activities described in paragraphs 39 through 41 above, Defendants Pleasure Time, Group Dynamics Downline, [] have violated and are violating Section 10(b) of the Exchange Act [15 U.S.C. 78j(b)] and Rule 10b-5 [17 CFR 240.10b-5] promulgated thereunder.

COUNT V

Violations of Section 15(a)(1)
of the Exchange Act [15 U.S.C. 78o(a)(1)]

43. Paragraphs 1 through 27 are hereby realleged and incorporated by reference herein.

44. By reason of their conduct in selling securities as more fully alleged in paragraphs 1 through 27, Group Dynamics Downline and [] acted as brokers and dealers.

45. Neither Group Dynamics Downline nor [] has at any time been registered with the Commission as a broker or a dealer.

46. By reason of the activities described in paragraphs 43 through 45 above, Defendants Group Dynamics Downline and [] have violated and are violating Section 15(a)(1) of the Exchange Act [15 U.S.C. 78o(a)(1)].

COUNT VI

Violations of Section 15(c)(1)
of the Exchange Act and Rule 15c1-2 thereunder
[15 U.S.C. 78o(c)(1), 17 C.F.R. 240.15c1-2]

47. Paragraphs 1 through 27 are hereby realleged and incorporated by reference herein.

48. From at least the August of 1994 to the present Defendants Group Dynamics Downline and [] by the use of the

means and instrumentalities of interstate commerce and of the mails, directly and indirectly, and in connection with effecting transactions in, and inducing and attempting to induce the purchase of the securities described in paragraphs 13 through 18 above, otherwise than on a national securities exchange of which they are or were members, employed devices, schemes and artifices to defraud; made untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and engaged in acts, practices and courses of business which operated and will operate as a fraud and deceit upon purchasers and sellers and prospective purchasers and sellers of such securities, all as more fully described in paragraphs 1 through 27 above.

49. Defendants Group Dynamics Downline and Acra knew or were reckless in not knowing of the activities described in paragraph 48 above.

50. By reason of the activities described in paragraphs 47 through 49 above, Defendants Group Dynamics Downline and [] have violated and are violating Section 15(c)(1) of the Exchange Act [15 U.S.C. 78o(c)(1)] and Rule 15c1-2 [17 CFR 240.15c1-2] promulgated thereunder.

WHEREFORE, the Commission requests that the Court:

I

Grant a Temporary Restraining Order and Orders of Preliminary and Permanent Injunction, in forms consistent with Rule 65(d) of the Federal Rules of Civil Procedure, restraining and enjoining:

A. Defendants Group Dynamics Downline and [] their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of the Temporary Restraining Order, the Order of Preliminary Injunction and the Order of Permanent Injunction by personal service or otherwise, and each of them, from directly and indirectly, engaging in the acts, practices and course of business described above, or in conduct of similar purport and object, in violation of Sections 5(a), 5(c), and 17(a) of the Securities Act [15 U.S.C. 77e(a), 77e(c) and 77q(a)], Sections 10(b), 15(a)(1) and 15(c)(1)(A) of the Exchange Act [15 U.S.C. 78j(b), 78o(a)(1), 78o(c)(1)(A)] and Rules 10b-5 and 15c1-2 thereunder [17 C.F.R. 240.10b-5, 240.15c1-2] in connection with transactions in the securities described in this complaint or any other security.

B. Defendants Pleasure Time, [] their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of the Temporary Restraining Order, the Order of Preliminary Injunction and the Order of Permanent

Injunction by personal service or otherwise, and each of them, from directly and indirectly, engaging in the acts, practices and course of business described above, or in conduct of similar purport and object, in violation of Sections 5(a), 5(c), and 17(a) of the Securities Act [15 U.S.C. 77e(a), 77e(c) and 77q(a)], Section 10(b) of the Exchange Act [15 U.S.C. 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. 240.10b-5] in connection with transactions in the securities described in this complaint or any other security.

II

Grant a Temporary Restraining Order and an Order of Preliminary Injunction restraining and enjoining Defendants Pleasure Time, Group Dynamics Downline, [REDACTED] their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of the Temporary Restraining Order and the Order of Preliminary Injunction by personal service or otherwise, and each of them, from directly or indirectly transferring, selling, assigning, pledging, dissipating, concealing or otherwise disposing of in any manner, any funds, assets, or other property belonging to, or in the possession, custody or control of the Defendants, wherever located.

III

Grant a Temporary Restraining Order and an Order of Preliminary Injunction restraining and enjoining Defendants Pleasure Time, Group Dynamics Downline, [REDACTED]

their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of the Temporary Restraining Order and the Order of Preliminary Injunction by personal service or otherwise, and each of them, from directly or indirectly destroying, mutilating, concealing, altering or disposing of in any manner, any of the books, records, documents, correspondence, brochures, manuals, obligations or other property of or pertaining to the Defendants, wherever located.

IV

Grant an Order requiring the Defendants to:

- A. produce to the Plaintiff, within four days of the issuance of the Temporary Restraining Order, all current accountant's reports, bank statements, documents indicating title to real or personal property, and any other indicia of ownership or interest in property of any of the defendants, which indicia of ownership or interest are now in the Defendants actual or constructive possession.
- B. produce to the Plaintiff, within four days of the issuance of the Temporary Restraining Order, all books, records and other documents in the Defendants actual or constructive possession relating to the offer or sale of the securities sold by the Defendants.

C. provide to the Court, within four days of issuance of the Temporary Restraining Order, an accounting of all funds received from investors in connection with the securities sold by the Defendants, the uses to which such investor funds were put and the amounts of any remaining such funds and their location, and an accounting of any remaining assets of the Defendants, and their location; provided, however, that nothing in the Order shall be construed to require the Defendants to abandon any constitutional or other legal privilege which they may have available to them.

V

Grant an Order requiring Defendants Pleasure Time, Group Dynamics Downline, [REDACTED] to disgorge any and all ill-gotten gains (including prejudgment interest).

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VI

Grant an order imposing upon each defendant an appropriate civil penalty pursuant to Section 20(d) of the Securities Act [15 U.S.C. 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. 78u(d)(3)].

VII

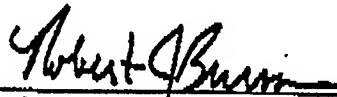
Retain jurisdiction of this action in accordance with the principals of equity and the Federal Rules of Civil Procedure in order to implement and carry out the terms of all orders and decrees that may be entered or to entertain any suitable

application or motion for additional relief within the jurisdiction of this Court.

VIII

Grant an Order for such further relief as the Court may deem appropriate.

Respectfully submitted,



Robert J. Burson
Illinois Bar No. 3126909

Trial Attorney for Plaintiff
Securities & Exchange Commission
500 West Madison St. - 14th Floor
Chicago, Illinois 60661
Telephone: (312) 353-7390

DATED: March 13, 1995

Of Counsel:

Joy Boddie
Securities & Exchange Commission
500 West Madison Street
Chicago, Illinois 60661
Telephone: (312) 353-7390

FILED
Mar 13, 1995
at 5:35 pm

Kenneth J. Murphy, Clerk
Cincinnati, Ohio

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

UNITED STATES SECURITIES
AND EXCHANGE COMMISSION

Plaintiff,

v.

Civil No. C-1-95-178

PLEASURE TIME, INC., d/b/a/ TELEPHONE
INFORMATION SYSTEMS, et al.

Defendant.

ORDER GRANTING TEMPORARY RESTRAINING ORDER

This cause, coming to be heard on motion of the Plaintiff, the Securities and Exchange Commission (Commission), for a Temporary Restraining Order, the Court having considered the Commission's Complaint, Application for Temporary Restraining Order, Memorandum of Law in support of said Motion, and Affidavits of [REDACTED]

[REDACTED] and now being advised, by telephone conference call with Robert Burson [REDACTED] finds:

1. That this Court has jurisdiction over the subject matter of this case and there is good cause to believe it will have jurisdiction over all parties hereto.
2. That there is good cause to believe that Defendants Pleasure Time, Inc. dba Telephone Information Systems, Inc. ("TIS"), [REDACTED] dba Group Dynamics Downline ("GDD"), [REDACTED] and [REDACTED]

[] have engaged, are engaged and are about to engage in acts, practices and courses of business which constitute violations of Sections 5(a), 5(c), 17(a)(1), 17(a)(2) and 17(a)(3) of the Securities Act of 1933 (Securities Act), as amended [15 U.S.C. 77q(a)(1), 77q(a)(2) and 77q(a)(3)], and Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act), as amended [15 U.S.C. 78j(b)] and Rule 10b-5 [17 C.F.R. 240.10b-5] promulgated thereunder.

3. That there is good cause to believe that TIS, GDD, [] will continue to engage in such acts, practices and courses of business and in such violations to the irreparable loss and damage of the Plaintiff and the public unless immediately restrained and enjoined by order of this Court, and that, therefore, this Temporary Restraining Order (Order) should be and is granted.

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendants TIS, GDD, [] their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, and each of them, be and are hereby temporarily restrained and enjoined from, directly or indirectly, in connection with the purchase or sale of the securities of any issuer, by the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange:

- A. employing any device, scheme or artifice to defraud;
- B. making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the

circumstances under which they were made, not misleading; or

- C. engaging in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Defendants TIS, GDD, [REDACTED] their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, and each of them, be and are hereby temporarily restrained and enjoined from, directly or indirectly, in the offer or sale of the securities of any issuer, by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails, employing any device, scheme or artifice to defraud.

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Defendants TIS, GDD, [REDACTED] their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, and each of them, be and are hereby temporarily restrained and enjoined from, directly or indirectly, in the offer or sale of the securities of any issuer, by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails, engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon purchasers or prospective purchasers of such securities, or obtaining money or property by means of

[redacted]

any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendants TIS, GDD, [redacted] their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, and each of them, be and are hereby temporarily restrained and enjoined from, directly or indirectly:

- A. making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell or offer to sell securities through the use or medium of any prospectus or otherwise, unless a registration statement is in effect with the Commission as to such securities;
- B. carrying or causing to be carried such securities through the mails or in interstate commerce, by any means or instruments of transportation, for the purpose of sale or for delivery after sale, unless a registration statement is in effect with the Commission as to such securities; or
- C. making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy such securities, through the use or medium of any prospectus or otherwise, unless a registration statement has been filed with the Commission as to such securities, or while a registration statement as to such securities is the

subject of a refusal order or stop order or any public proceeding or examination under Section 8 of the Securities Act of 1933 [15 U.S.C. 77h]; provided, however, that nothing above shall apply to any security or transaction which is exempt from the provisions of Section 5 of the Securities Act [15 U.S.C. 77e].

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendants TIS, GDD, [] their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, and each of them, be and are hereby temporarily restrained and enjoined from, directly or indirectly, making use of the mails or any means or instrumentality of interstate commerce to effect any sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills) without registering as a broker or dealer under Section 15(b) of the Exchange Act [15 U.S.C. 78o(b)] or associating with a broker or dealer so registered.

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendants GDD and [] their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, and each of them, be and are hereby temporarily restrained and enjoined from, directly or indirectly, by the use of any means or instrumentality of interstate commerce or by the use of the mails, effecting any transaction in, or inducing or attempting to induce the purchase or sale of, any security (other than commercial paper,

bankers' acceptances, or commercial bills) otherwise than on a national securities exchange of which they are members, by

- A. employing any device, scheme or artifice to defraud;
- B. making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- C. engaging in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

VII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendants Pleasure Time, GDD, [] their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, and each of them, be and are hereby temporarily restrained and enjoined from directly or indirectly, transferring, selling, assigning, pledging, dissipating, disbursing, concealing or otherwise disposing of, in any manner, any funds, assets, or other property belonging to, or in the possession, custody or control of Defendants Pleasure Time, GDD, Acra and Welch wherever located, subject to further order of the Court.

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VIII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendants Pleasure Time, GDD, [] their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive

actual notice of this Order by personal service or otherwise, and each of them, be and are hereby temporarily restrained and enjoined from directly or indirectly, destroying, mutilating, concealing, altering or disposing of, in any manner, any of the books, records, documents, correspondence, brochures, manuals, obligations or other property belonging to or relating to the Defendants wherever located, until further order of this Court.

IX.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendants
Pleasure Time, GDD, [REDACTED]

- A. produce to the Plaintiff, within seven (7) days of the issuance of this Order, all current accountant's reports, bank statements, documents indicating title to real or personal property, and any other indicia of ownership or interest in property of any of the Defendants, which indicia of ownership or interest are now in the Defendants' actual or constructive possession;
- B. produce to the Plaintiff, within seven (7) days of the issuance of this Order, all books, records and other documents in the Defendants' actual or constructive possession relating to the offer or sale of the lottery memberships sold by the Defendants; and
- C. provide the Court, within seven (7) days of the issuance of this Order, with an accounting of all funds received from investors, the uses to which such investor funds were put and the amounts of any remaining such funds and


their location; and, with an accounting of the assets and liabilities of the Defendants, and the location of any remaining assets; provided however, that nothing in this Order shall be construed to require the Defendants to abandon any constitutional or other legal privilege which they may have available to them.

X.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that:

- A. This Temporary Restraining Order shall expire at 5:00 p.m. on the thirty-first (31st) day of March, 1995, or such later date as may be extended by the Court, or agreed upon by the parties hereto.
- B. Defendants appear before this Court on the twenty-fourth (24th) day of March, 1995, at the hour of 9:00 a.m., and then and there show cause why a Preliminary Injunction should not be granted in accordance with the prayer of Plaintiff's Complaint.

IT IS SO ORDERED.


Carl B. Rubin
United States District Judge

MFR: This copy was provided
to me from [REDACTED]

Info. from [REDACTED]

Memorandum

To: [REDACTED]

From: [REDACTED]

Date: February 23, 1995

Subject: Status Report on Houlton Band of Maliseet Indians Gaming Development Project

As per your directions I have been working with the Maliseet Tribal Government and Administration to make sure the Lottery Project meets the needs of the Tribal sovereignty as well as those guidelines the Tribe and the project need to reach to be in compliance with the Indian Gaming Regulatory Act. In order to assure the best interests of the Maliseet Tribe and the membership of the financing group are protected, I have reviewed what gaming activities can be developed.

Currently, within the township of Houlton, the following gaming activities are being operated by one group or another: Bingo, Pulltabs, Lottery and other games normally viewed as Casino games. The bingo is taking place as many as five times per week, sponsored by groups such as the Catholic Church, Elks, Veteran associations, and the like. There are also "casino nights" put on by some of the aforementioned groups with slot machines, poker, blackjack and roulette. There is also multi-state lottery operated by the State of Maine.

All of these games are sanctioned by the State of Maine through a licensing and permit process. This means that the state allows many forms of both Class II and Class III gaming. Under guidelines set forth under the Indian Gaming Regulatory Act the Houlton Band of Maliseet should be able to negotiate various forms of Class III gaming under the compact process.

The games that would be the most profitable to both the Tribe and the financing group would be a lottery and casino operated by the Maliseet Tribe. Bingo and pulltabs could be offered under the Class II format, but historically, does not generate as much profit as a lottery or a casino.

According to the "Northern Maine Economic Profile 1994" prepared by the Northern Maine Development Commission and Northern Maine Economic Development District almost two million people per year pass through the township of Houlton on Interstate 95, coming to and from Canada at a border crossing approximately three (3) miles north. According to the same profile there is a sophisticated telecommunication system in the region.

This data with gaming potential presents the Tribe an opportunity in the hospitality business with the development of a destination resort.

The Maliseet Tribe is not the only group that would benefit from the Tribe's development of gaming. The local non-Indian off-reservation population would ultimately benefit in a greater amount by any actions the Tribe would take. Not only in the increased profits to local business but the development of new jobs would have a positive impact on the local job market which has been on a steady decline in recent years. The number of new local jobs developed would be substantial and immediate.

I have met with twice with the Tribal Council in session, and have spoken with individual members. The main concern of the Maliseet Tribal Council has been that all gaming related activities are developed in such a manner that the sovereignty of the Tribe is protected and respected. That the gaming is within the legal

guidelines of federal statutes and that all development will have a position impact on both the Tribal and the local community.

To that end, I have developed a draft manual for a bingo operation and a draft gaming ordinance. I have also contacted the National Indian Gaming Commission and received a copy of the Act P.L. 100-497 and other related materials to be jointly reviewed with the Tribal Council to insure that all guidelines are met as the Maliseet Tribe develops their gaming and related activities.

I feel that the Tribe will continue the process you have hired me to assist them in as long as we continue to keep them involved and informed as to all activities that are taking place and that all legal and appropriate business activities are done in a professional manner.

The Tribe has given me a large amount of material to review as they feel it important that any group working with the Tribe are aware of their history, culture and their local community needs.

The next step I would recommend would be for a meeting to discuss the activities and status of the project to date and to review the material I have developed as well as the material sent to me by the National Indian Gaming Commission.

I await your response to this report and direction as to the steps to be taken. Please contact me as soon as possible.

HOULTON BAND OF MALISEET INDIANS

ROUTE 3, BOX 450
HOULTON, MAINE 04730
TELEPHONE: (207)532-4273
1-800-564-8524

March 22, 1995

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[redacted]
Special Agent - FBI
P.O. Box 78
Bangor, Maine 04401

Dear [redacted]

Please find the enclosed information pertaining to the investigation underway of the lottery venture with (TIS) Telephone Information Systems. I have placed this correspondence in the order to which things transpired.

Should you have any questions, please feel free to contact me at your convenience.

Sincerely,

[redacted]

Encls.

[Handwritten signature]

196B-CI-6415-80

SEARCHED	INDEXED
SERIALIZED <i>RD</i>	FILED <i>RD</i>
APR 10 1995	
FBI - CINCINNATI	

[Handwritten signature]

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 4/6/95

TO : SAC, CINCINNATI (MRA)
 FROM : SAC, BOSTON (196B-CI-64415) (RUC)
 SUBJECT : [redacted] aka
 [redacted]

et al.;
 FBW;
 OO:CINCINNATI

b6
 b7C

Re Boston airtel to Cincinnati dated 3/21/95.

Enclosed for Cincinnati is an original and two copies of three FD-302s, respectively, dated 3/21/95 and 3/23/95 and 3/28/95. Also enclosed is an FD-340 containing original notes of an interview with [redacted] which occurred on 3/21/95. Additionally, two packets of material are enclosed, one received in the Bangor, Maine RA on 3/28/95 which contained two copies of cassette tapes reflecting conversations held by the Houlton Band of Maliseet Tribal Council in relationship to captioned matter, as well as a packet of documents which was forwarded to the Bangor RA and received on 3/23/95 from [redacted]

For the information of Cincinnati, the Bangor RA has interviewed [redacted] and received the enclosed materials as a result of this interview. Inasmuch as no further leads are outstanding in the Bangor RA, this matter is considered RUCed.

① - Cincinnati (Enc. 12) *g*
 1 - Boston
 DRG/srw
 (3)

Approved: *DRG*

Transmitted

(Number) (Time)

196B-CI-64415-81

SEARCHED	INDEXED
SERIALIZED	FILED
Per	
APR 10 1995	
FBI - CINCINNATI	

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 3/23/95

Pursuant to a Subpoena issued to [redacted]
[redacted]
[redacted] dated February 21, 1995 the following information was
obtained:

[redacted]
[redacted]
[redacted]
[redacted]
[redacted]
[redacted]

b3

Investigation on 3/22/95 at Tampa, Florida File # 196B-CI-64415-882
by I.A. [redacted] Date dictated 3/23/95

b6
b7C

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☐ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 3/23/95

TO : SAC, CINCINNATI (196B-CI-64415) (MRA)
 FROM : SAC, TAMPA (196B-CI-64415) RUC
 SUBJECT : [REDACTED] AKA
 [REDACTED]

TELEPHONE INFORMATION SYSTEMS, INC.;
 GROUP DYNAMICS DOWNLINE,
 1109 NAVAHO DRIVE
 LEBANON, OHIO;
 FBW;
 OO: CINCINNATI

Reference Cincinnati Airtel to Cleveland 2/22/95.

Enclosed for Cincinnati is executed Subpoena served
 to [REDACTED] Also enclosed
 is original and copy of FD302 of I.A. [REDACTED] along
 with [REDACTED] obtained.

Tampa is considering this matter RUC.

2-Cincinnati (enc 4)
 1-Tampa
 (3)
 saw

196B-CI-64415-83

Approved: SLF/1113

Transmitted

(Number) (Time)

AUTOMATED INDICIES

SEARCHED	INDEXED
SERIALIZED 70	FILED 20
MAR 6 1995	
FBI - CINCINNATI	

January 15, 1995

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b7c

Dear [REDACTED]

Enclosed find information regarding a "900" phone system for selling lottery tickets for the Houlton Band of the Maliseet Tribe in Houlton Maine. The Telephone Information Systems Inc. (TIS) is in "need" of additional investors to help pay the legal fees that will easily reach \$1 million dollars. TIS is reportedly looking for 50,000 investors to invest \$189.00 to become "shareholders". This is going to be "THE FIRST GLOBAL LOTTERY" and has the backing of a group of Japanese investors that have reportedly invested \$8,000.00 each for a total of \$400 million.

The "shareholders" will reportedly get from \$62.00 up to \$19,012 weekly from residual income from the revenues of the "900" pay per call system that will enable people to charge \$7.00 per call to purchase 5 lottery tickets from the Maliseet Tribe. This appears to be a MULTI LEVEL MARKETING plan that are very popular among the opportunity seekers, yet this is denied in the enclosed materials. The more people recruited helps the promoters of the system to pay the legal expenses and to reap huge profits.

The "shareholders" may not really get these projected earnings because once the promoters get the investors money; many promoters have then gone out of business through bankruptcy. This does not happen in all MULTI LEVEL MARKETING (MLM) plans but it happens very frequently, as reported in multi level marketing publications.

The reason for my writing to you is twofold. First to alert your organization in the event you have not been advised of this venture. Selling lottery tickets with a "900" phone number is a great idea. Sending a \$189.00 check to Group Dynamics Downline, 1109 Navaho Dr. Lebanon OH 45036-9227 is nowhere near Houlton Maine. "Downline" is MULTI LEVEL MARKETING jargon.

The fine print states that "Telephone Information Systems can change the marketing plan or any other rules it deems necessary."

(A WARNING SIGN IF EVER I SAW ONE)

1966-CT-64415-84

SEARCHED	INDEXED
SERIALIZED	FILED
MAY 4 1995	
FBI - CINCINNATI	

The promoters have a recorded message phone number 1-513-684-4771, and a fax on demand number 1-512-505-6802, and a conference call at 10pm EST at 1-215-582-7400. GroupDynamic Downline's fax is 1-513-932-8049.

The second reason for writing is that this "900" phone concept can work, (without the need for MLM plan of course) but am confused with the Oneida lottery that has discontinued it's program. What happened to the Oneida Lottery??

Most importantly, I'm having a problem with the idea of investors making huge profits while the poverty rages on. Investors should not be profiting from people's poverty.

If 50,000 people lose their investment, that's 50,000 possible reasons for not supporting worthwhile causes. The ripple effect of talking is very powerful.

Regards,
A Friend

cc: Office of Public Affairs
Inspector in Charge
Federal Bureau of Investigations
Ninth Street & Pennsylvania Ave NW
Washington DC 20535

cc: Antitrust Division
Department of Justice
Tenth Street & Pennsylvania Ave NW
Washington DC 20530

Dear Friend:

Would you like to be given a penny for every dollar of taxes collected in the U.S.? How about 1/100th of a cent? How about a commission on the sale of every item sold by Microsoft, IBM, GM, Ford, and a bunch of other Fortune 500 firms? And you didn't have to lift a finger! Well, listen...

b6
b7c

Like you, I've had to limit the scope of the programs I could join, so I've chosen what seems to be the best available, and I am focused on one major program.

Normally, you wouldn't be hearing from me. But a good mail-order friend of mine just told me about a program that blew my mind - and it will blow yours too!

It's not MLM, it's not a matrix. But people are signing up at a rate of over 500 a day! Currently there are over 10,000 members.

Briefly, let me tell you what it's about. About a year ago, a group of Japanese investors decided they wanted to engineer the first global lottery. They guaranteed \$8,000 each for a total of \$400 million when this was a "done deal". They decided to set it up in the U.S., since our country has historically shown great participation in lotteries.

Before going on, let me assure you, I do NOT want to buy lottery tickets! I don't buy them myself, and that's not what this program is about. Please read on...

These investors discovered that the Native American Indian people are not governed by many of the laws that regulate the rest of the citizenry of the U.S. (particularly laws pertaining to gambling and gaming).

They contracted with an American entrepreneur [redacted] of Telephone Information Systems, Inc. (TIS). Welch's company earns large revenues with 800 and 900 information numbers. On December 19th, TIS signed a joint venture contract with a Native American tribe, **The Houlton Band of the Maliseet Tribe** (in Houlton Maine) to run this lottery. One major point in the contract is that this tribe has to share the profits from the venture with other federally recognized Native American tribes that are in financial need (62% of all the Native American Indians live below the poverty level). This is important because people will support, and buy tickets from a lottery if they know that the profits will go to people who are in financial need.

This lottery will be conducted worldwide, through the use of a 900 number. A \$7.00 call buys the caller five lottery chances (tickets).

Page 1

OVLR

Currently, the California, Florida, and PowerBall lotteries generate about \$45 million per week in sales. 36 states have lotteries. Once this catches on, they're projecting sales as much as \$500 million per week, worldwide!!! And the U.S. government, of course, will love the tax revenues generated from this!

b6
b7C

So, how do YOU make money off of this? Great question.

[redacted] in negotiating and arranging all of this, has spent huge legal fees up front, and they could easily reach \$1 million before it's all settled! In order to defray his expenses, he persuaded the original group of investors to allow up to 50,000 people to receive revenues from up to twelve income pools, paid from the lottery calls.

To qualify for payments, these members invest a \$189 membership fee with TIS. In essence, we become "shareholders" of TIS and get paid through call revenues.

I can't explain it all in this letter. Now wait, I'm not going to ask you to send money for an explanation. I want you to call this number:

1-513-684-4771

You'll hear a 3-minute (or so) recorded message about this HOT new program. There's a fax on demand number, too, if you can call from a fax, or a PC with fax software. It's 1-512-505-6802.

You should also get on one of the nightly conference calls and hear it from the "horse's mouth" - and ask any questions you want. The calls are at 10PM EST, 7 days a week, and 1PM EST on Saturdays.

Here's how to get on the conference call: Dial 1-215-582-7400. At the next tone, press 1125, you'll hear another tone and press 405 (on Tuesdays only press 1131, then 415).

Then, just wait and listen. You'll be amazed!

This is just a brief, broad explanation - but the *weekly* income you can receive will be anywhere from \$62 (and you do not have to refer anyone else to the program) to *up to \$19,012 WEEKLY when you've referred only 11 people!*

The above example is based on 50 million lottery calls per week, Worldwide. Not too hard to accomplish, ~~once this thing~~ catches on. This lottery will soon get tremendous media coverage around the globe!

TELEPHONE INFORMATION SYSTEMS**MEMBER APPLICATION**YOUR GROUP DYNAMICS ID# _____

PLEASE PRINT LEGIBLY. USE BLACK INK.

Name _____ SS or Federal ID# _____

Address _____

City _____ State _____ Zip or Postal Code _____

Phone Number _____ Fax _____

REFERRED BY: _____

REFERRER'S
GROUP DYNAMICS ID# _____

1. I am of legal age to enter into this agreement.
2. I shall become a member of Telephone Information Systems upon acceptance of this agreement.
3. Telephone Information Systems may at its discretion modify the marketing plan or any other rules it deems necessary.
4. I will only use company approved literature and seek written approval for any advertising I may do.
5. I understand that I am an independent contractor.

I acknowledge that I have read and agree to the terms set forth in this agreement.
This agreement is not in force until accepted by Telephone Information Systems.

X Signature _____ Date _____

GROUP DYNAMICS DOWNLINE PLACEMENT COORDINATOR WILL COMPLETE THIS SECTION.

LEAVE
BLANK

Sponsor's Name _____

Sponsor's SS or Federal ID# _____ Sponsor's Phone () _____

METHOD OF PAYMENT (Check one)

We Accept Checks



Over The Telephone

- ☐ Check by Fax AVAILABLE 24 HOURS (Follow Directions Below)
- ☐ Check by Phone Call 1-513-932-8898 and give your check information
Note: This number is for phoning in your membership BETWEEN 3 - 9 PM ONLY.
- ☐ Money Order Send to: **GROUP DYNAMICS DOWNLINE**
1109 Navaho Dr.
Lebanon, OH 45038-9227

Make Check or Money Order payable to **GROUP DYNAMICS DOWNLINE.****"Check by FAX"**

Tape your \$189 signed check here and FAX to (513) 932-8049.

**PLEASE DO NOT MAIL THIS CHECK
AFTER YOU HAVE FAXED IT TO US.**

Your check will be processed as if you had sent it to us in the mail.

This is the fastest, most efficient method of payment
and is the one to use for IMMEDIATE PROCESSING.

TIS/AMERICAN INDIAN LOTTERY COMPENSATION PLAN

FOR ILLUSTRATIVE PURPOSES ONLY

Each 900 call costs \$7.00 to purchase 5 lottery tickets

If 50,000 members then \$.75 available for earnings

If 24,000 members (this illustration) then \$.36 available for earnings

\$.36 gets split equally into 12 income pools

\$.36 divided by 12 pools = \$.03 per call per income pool

If 50,000,000 calls x \$.03 = \$1,500,000 per income pool

\$1,500,000 divided by the number of people in pool = weekly income for that pool.

b6
b7c

Pool Number	Number of People In Pool	Number Required In Your Downline To Qualify For This Income Pool	Number Of Personal Referrals Required	Estimated Weekly Income Per Pool	Cumulative Weekly Income	Estimated Annual Income	Cumulative Annual Income
#1	*24,000	6	0 - Total	\$62	\$62	\$3,250	\$3,250
#2	*12,000	12	1 - Total	\$114	\$176	\$5,928	\$9,152
#3	*9,400	25	2 - Total	\$160	\$336	\$8,320	\$17,472
#4	*6,200	50	3 - Total	\$242	\$578	\$12,584	\$30,056
#5	*4,200	100	4 - Total	\$357	\$935	\$18,564	\$48,620
#6	*2,600	200	5 - Total	\$577	\$1,512	\$30,004	\$78,624
#7	*1,800	400	6 - Total	\$833	\$2,345	\$43,316	\$121,940
#8	*1,200	700	7 - Total	\$1,250	\$3,595	\$65,000	\$186,940
#9	*900	1,000	8 - Total	\$1,667	\$5,262	\$86,684	\$273,624
#10	*600	1,500	9 - Total	\$2,500	\$7,762	\$130,000	\$403,624
#11	*400	2,500	10 - Total	\$3,750	\$11,512	\$195,000	\$598,624
#12	*200	5,000	11 - Total	\$7,500	\$19,012	\$390,000	\$988,624

*NOTE: This is only an illustration. The numbers of individuals in each pool may vary from this illustration. No guarantees of income are intended. The numbers used are simply to show the mechanics of how the program works. They are not to be interpreted as guaranteeing that you, or anyone else will earn the sums indicated. Not everyone will have six referrals. Some will have more, some will have less, depending upon time and effort spent on building the business.

America's
Forgotten
Minority



Office of Public Affairs
Inspector in Charge
Federal Bureau of Investigations
Ninth Street & Pennsylvania Ave NW
Washington DC 20535

7240

FIRST CLASS MAIL



FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 4/27/95

TO : SAC, BOSTON

FROM : SAC, Denver (196-0)

SUBJECT : UNSUBS;

dba Telephone Information Systems, Inc.,
 Group Dynamics Downline;

196B-CI-64415 (P)

Enclosed for the Boston and Cincinnati Divisions is
 one copy of a letter directed to

The enclosed letter was forwarded to the Denver
 Division by the Economic Crimes Unit, FBI Headquarters.

The information is being provided to the Boston and
 Cincinnati Divisions for whatever action is deemed
 appropriate.

2 - Boston (Enc. 1)
 2 - Cincinnati (Enc. 1)
 2 - Denver
 JLC/tls
 (2)

196B-CI-64415

Approved: _____ Transmitted _____

(Number) (Time)

AUTOMATED INDICIES

SEARCHED	INDEXED
SERIALIZED	FILED
MAY 4 1995	
FBI - CINCINNATI	

b6
b7c

85

Memorandum



To : SAC, CINCINNATI (196B-CI-64415) (P)

Date 5/5/95

From : SA [redacted] (MRA)

b6
b7C

Subject:

[redacted] aka
[redacted]

PAUL M. LARSON;
[redacted] dba
TELEPHONE INFORMATION SYSTEMS, INC.;
GROUP DYNAMICS DOWNLINE,
1109 Navaho Drive,
Lebanon, Ohio
FBW
OO: Cincinnati

On 5/1/95, [redacted] (Protect identity).
Social Security Number [redacted] residing at [redacted]
[redacted] telephone [redacted] met with the writer concerning
PAUL M. LARSON, [redacted] When
[redacted] he called himself MICHAEL LARSON. [redacted]

b6
b7C
b7D

[redacted] recently learned contacted [redacted]
[redacted] who resides at [redacted]
[redacted] telephone [redacted] Sometime ago, [redacted]
drove PAUL LARSON and his girlfriend [redacted] to the
[redacted] where they left for someplace in the Caribbean
possibly the Cayman Islands. [redacted]
[redacted] They also indicated that they might travel
to Germany. REH

In early April 1995, [redacted] received a long
distance call from PAUL LARSON, who said he was in Florida. The
connection was very poor.

PAUL LARSON routinely provides [redacted] with [redacted]

[redacted] said LARSON and [redacted] operated solicited
members for a telephone lottery starting in the later half of

② - Cincinnati

REH:reh

(2)

196B-CI-64415-86

SEARCHED	INDEXED
SERIALIZED	FILED
MAY 8 1995	
FBI - CINCINNATI	

PAUL LARSON put up the down payment for the Navaho Drive residence which is listed in the name of [REDACTED]

2

196B-CI-64415

Last winter [redacted] observed LARSON had a weapon at Navaho Drive. He used to a .38 caliber revolver.

b6
b7C
b7D

Three years ago, LARSON had a cancerous parathyroid tumor removed from his throat at Miami Valley hospital.

He frequents marketing seminars. He met [redacted] at one several years ago. [redacted]
[redacted]
[redacted]
[redacted]

Besides the DAYTON DAILY NEWS article, [redacted] provided two articles from Lebanon's WESTERN STAR concerning a March 1995 preliminary injunction obtained by the Securities and Exchange Commission against [redacted] doing business as GROUP DYNAMICS DOWNLINE.

Dayton Daily News

Dayton, Ohio, Saturday, November 26, 1994

The First Cox Newspaper

Lebanon man pressed his luck to limit

By Tom Hopkins
DAYTON DAILY NEWS

A lot of contestants have won a lot of money on television game shows, but it took an ice cream vendor from Ohio to beat 'em all.

It happened 10 years ago, but Lebanon resident Paul Larson can't forget how he brought a big-time TV game show to its knees.

The program, *Press Your Luck*, aired on CBS from 1983 to 1986 with Peter Tomarken as host.

Larson figured out how to beat the system and came home with \$110,237.

The movie *Quiz Show* dramatizes how Charles Van Doren took home \$129,000 by cheating on *Twenty-One* in 1958, but it took Van Doren 15 weeks to do it.

Larson did it in an hour. "I just memorized the patterns," he said.

Larson's feat is the subject of a four-page article this week in *TV Guide*.

Now 45, he was driving a Mister Softee truck around Lebanon in the winter of 1983-84 when ice cream sales slowed to a standstill. He had plenty of time to watch TV game shows, and he loved them.

"I watched 'em all," he said. "But on most of them, you win washers and dryers and cars. I picked a show where I could win cash. I figured if I could win all cash, I could buy anything I wanted."

The Q&A show, still airing in re-

runs on USA Network, pits three contestants whose correct answers earn a spin on an illuminated game board. The lights flash around the board as each player hits a plunger to stop on a particular square.

Most squares hold cash or a prize. If a player stops on a "whammy," he loses all accumulated earnings. But if a player can get control of the board, he can ride it



Paul Larson

SEE LUCK/13A

CONTINUED FROM/1A

for all it's worth.

Larson began watching carefully, videotaping programs so he could study them later by slowing them down and studying the freeze frames.

His goal: Figure out how to determine where all the "whammies" were. If you could do that, he decided, avoiding them would be relatively easy.

"I wanted to see if there was a random to those lights, or if they were going in order," he recalls.

"I moved it from frame to frame and watched the lights go from one square to another. I started seeing little three-number runs that looked like other three-number runs, and I knew there was some commonality.

"Six weeks into it, it just came to me. I finally determined there were only six patterns of 18 numbers."

Memorize the patterns, and he could strike it rich.

Larson bought an airline ticket and headed for Los Angeles.

He had even studied the tapes to see how the contestants were supposed to behave on the show. Larson knew he wasn't the most ebullient guy around. He had to be more enthusiastic.

"I figured if I acted like them, that's what they wanted," he said. "I wanted to yell and scream at the appropriate time during the auditions. I'm not usually bubbly, but I was bubbly on that show."

Larson passed the audition and returned to the studio for a Saturday taping. He joined about 20 other contestants.

"When you get there, they actually have people in the isolation room, watching out to make sure there's no cheating," he said.

Larson sat down in a corner of the room by himself so he could make sure he had memorized the

'The mental strain was just terrible. I was mentally drained.'

Paul Larson

numbers. The coordinators watched him and started to worry. Is this wimp from Ohio going to be a wet noodle on the air?

"I'm sitting there, going over and over my sequence in my head," he recalls. "The contestant coordinators are like, 'You're gonna have to act different from this — you're gonna die out there! You're gonna have to pep it up.' I was kind in a trance."

He wasn't in a trance when the red light came on. Midway through the half-hour show, Larson got control of the board and kept pressing that plunger.

"The first half of the show went in a very normal fashion — but the second half of the show was bedlam," recalls Michael Brockman, then CBS head of daytime programming.

That's because a player who hit a certain spot on the board won \$3,000, \$4,000 or \$5,000 — as well as one more spin. "This fellow stopped on this box every time," Brockman said.

Normally, a player would hit a "whammy" by the fifth or sixth turn. Not Larson. Using his memorized pattern, he took 35 spins without a mistake.

The studio got deathly quiet as Larson spun and spun and spun.

"I realized something was going on," Tomarken said. "I kept looking at (producer) Bill Carruthers, like 'What's happening here?'"

There was nothing I could do about it. I started thinking how I

might have to renegotiate my CBS contract with him."

As producers scrambled to figure out what was happening, Larson kept pressing his luck — forcing the program to run over to a full hour. It had never happened before.

CBS bigwigs were showing "concern leading toward panic," recalls Robert Boden, a production executive on *Press Your Luck*. "But the guy did nothing wrong."

Passing the \$80,000 mark, "The mental strain was just terrible," Larson recalls. "I was mentally drained."

With the other contestants staring daggers at him, Larson finally passed his turn. "I couldn't go on forever," he said. "It was just too taxing."

When it was all over, Larson had earned the most money ever won on a single game show.

Unlike Van Doren, Larson hadn't cheated.

"We fixed the machinery the next week," Brockman said. CBS also set a limit of \$75,000 on winnings.

Carruthers edited the show into a two-parter, and you might be able to catch it in reruns. *Press Your Luck* airs on USA Network at 3 p.m. weekdays.

After paying \$28,000 in taxes on his winnings, Larson and his wife briefly enjoyed their good fortune. "I didn't work for a year," he said.

Then a real-estate investment went sour. "I guess I wasn't experienced enough," he said. "It was all gone in two years."

He took a job with Wal-Mart as an assistant manager, helping open stores in Dayton, Lebanon, Xenia and Bellbrook. Now divorced, he runs a promotions and marketing company, Group Dynamics Downline, out of his Lebanon home.

This is the untold story of a game show that wasn't fixed—but of one crafty contestant who "fixed" the game show itself.

In the process, he won more money in one appearance than any other game-show contestant in the history of television. And, to the embarrassment of the network and the producers, he did it legally.

Chances are you've never heard of Paul Michael Larson or his remarkable feat.

But on May 19, 1984, Larson—a mild-mannered but very clever ice-cream vendor from Lebanon, Ohio—did what network executives and game-show producers thought was the impossible.

It all happened when he competed on *Press Your Luck*, which aired on CBS from 1983 through 1986.

Larson, who drove a Mister Softee truck in his hometown, had started watching the show in November 1983. "It was winter," he recalls, "and I wasn't exactly selling a lot of ice cream. I was watching a lot of television."

And *Press Your Luck* was a fun game show to watch. Contestants competed to answer questions correctly. If they did, they earned spins

he videotaped every show for a few weeks. He studied the videotapes, slowing them down and freezing the image to look at the board patterns one frame at a time.

"I discovered there were only six patterns on the board. It wasn't random," Larson says. "And so it was just a process of memorizing the patterns." Armed with that knowledge, he had the edge.

It meant that he knew exactly where each whammy was hidden. All he had to do was get on the show, answer enough questions to get to the board, remember the sequence, and he was home free.

Larson bought a discount airline ticket and flew out to Los Angeles.

Press Your Luck executive producer/director Bill Carruthers remembers Larson's audition for the show well. "He really impressed us. He had charisma, he played the game very well. Here was this out-of-work ice-cream guy who told us he loved the show so much he flew out on his own to try to get on."

"Bob Edwards, the contestant coordinator, had doubts. 'There's something about this guy that worries me,' he told Carruthers. 'But I overruled him,' Carruthers now laughs. 'I should have listened to Bob.'"

Larson was booked for a regular Saturday-afternoon taping.

Press Your Luck, like most half-hour game shows, was structured in two equal parts, with the big-money prizes available during the second half.

Larson and the other two contestants were introduced, and the game started.

"Nothing really unusual happened during the first half of the show," Carruthers says. Larson played the game well enough but not spectacularly. At the end of the first round, he was only in third place.

But when the second round began, Lar-

and got control of "the board"—and a chance to win money.

As lights flashed around the board, the player had to hit a plunger to stop on a particular square. If that square held a prize or money, the player got to keep it. There were bonuses as well. One additional hidden spot on the board gave the player an extra spin as well as extra dollars.

But players had to avoid the dreaded "whammies" placed at intervals on the board. A whammy bankrupted you, and you lost your turn.

Larson became fascinated with the illuminated money board, and was convinced he could determine the location of all the whammies. Around Thanksgiving of '83,

THE DAY THE GAME SHOW GOT WHAMMIED

How a canny contestant beat 'Press Your Luck' at its own game—quite legally

BY PETER S. GREENBERG



son made his move. He answered a question correctly and got control of the money board.

Unlike the other contestants, Larson didn't have to press his luck. He simply had to remember the pattern he had memorized and...press. And press he did.

"The odds of hitting a whammy were about 1 in 6," Carruthers recalls. "So if a player didn't hit one the first time, it wasn't surprising. A second, third, or fourth time, it was getting scary. If you spun more than six or seven times in a row and didn't hit a whammy, that was remarkable. The good contestants knew it was a good idea to pass control of the board after about four or five spins."

But not Larson. He hit the plunger once and didn't just hit a money prize, but the money prize that also gave him another prize, and another spin. He hit the plunger again and hit the same spot, with more money and another spin. And he kept hitting the spot.

Inside the director's booth, pandemonium was slowly erupting. The pacing of the show—even the commercial breaks—was timed to coincide with a contestant hitting one of those whammies, which bankrupted the player, stopped the action, and gave the emcee the opportunity to take a pause.

But Larson wasn't giving anyone—including himself—a chance to catch his breath. In just a few short minutes, Larson had become the Energizer Bunny of game-show players. He kept going and going and going.

Not just six spins without a whammy, or 10 spins without busting. But 35 spins in a row!

Michael Brockman, then CBS's head of daytime programming, was at home when the panic phone call came in. "Something was very wrong," he remembers. "Here was this guy from nowhere, and he was

hitting the bonus box every time. It was bedlam, I can tell you. And we couldn't stop this guy. He kept going around the board and hitting that box."

Back inside the control room, the decision was made: Keep the tape running. The half-hour show was already nearly a full hour.

When Larson hit about \$80,000, already a show record, the studio had suddenly become very quiet. "It was like everyone was waiting for me to lose it," Larson says. "And I was beginning to lose my concentration and discipline. But I came there to win at least \$100,000, and I kept going."

On the 45th straight winning spin, Larson nearly lost it. He hit the plunger, and it landed on a money prize, but not the extra spin.

"I remember that moment. I was just so drained," Larson says. "I suddenly forgot where the whammies were. So I stopped and passed control of the board to the other players. I felt so relieved that it was over."

But it wasn't over. The other players—stunned, confused, and just a little angry—knew they stood no chance of winning, so one of them answered a question correctly and then did something that Larson hadn't counted on—she gave her spins, and therefore control of the board, back to Larson.

Now, Larson had to hit the plunger. A whammy would have wiped out everything. This time, he had indeed pressed his luck.

"It got very tense," reports Brockman. "We could see he had lost his mental focus and he was at risk."

But Larson's luck held. He hit another money prize. And again, he stopped. He was declared the winner.

In just one appearance, he had won \$110,237 (about \$101,000 of it in cash, the rest in trips), the most ever won at one

time by a contestant in the history of television game shows. (By contrast, Charles Van Doren, portrayed in the recent movie "Quiz Show," won \$129,000 over 15 weeks on *Twenty-One*.) CBS executives, scared that they were now victims of a repeat of 1958, hurriedly called a meeting with Brockman and the producers. The network was reluctant to air the show without an investigation.

Brockman pressed the CBS lawyers to prove that what Larson had done was illegal. They couldn't. "What everyone finally was forced to acknowledge," says Robert Noah, a game-show executive, "was that what he did was legitimate. It was like being a card-counter at blackjack. After all, nowhere in the rules did it say that you couldn't pay attention." Larson got his money.

Needless to say, the structure of the prize board and its computer-generated whammy patterns was augmented immediately thereafter. Some 20 random-access programs were added to the mix, and a

winnings cap of \$75,000 was imposed.

And that *Press Your Luck* episode did indeed air in June 1984, as an unprecedented two-part special, complete with an explanation by host Peter Tomarken.

And what did Larson do with his money? He paid the taxes on his winnings (\$35,000) and invested the rest, most of it in vacant land in a real-estate deal to build homes back in Lebanon. "It didn't work out," he says. "We had a cash-flow problem, and I lost everything."

He then called one of the show's contestant coordinators and issued a challenge: "I know you've added patterns to the board, but I bet I can beat you again. How about a tournament of champions?" Nobody took him up on it.

By the way, if you want to see Larson's amazing performance, you might be able to catch it. *Press Your Luck* reruns still air in syndication on the USA Network, Monday through Friday at 3 P.M. ■

Peter S. Greenberg is a television producer and journalist based in Los Angeles.

PRESS
YOUR
LUCK



CBS TELEVISION NETWORK

A Division of CBS Inc.

CONTESTANT AWARDS DEPT.

7800 BEVERLY BLVD. • LOS ANGELES, CA. 90036 • (213) 852-2583

ACKNOWLEDGEMENT OF PRIZES

Show	Tape Recording Date	Intended Broadcast Date	Show #
PRESS YOUR LUCK	5/19/84	6/8/84	0188
Prize Recipient's Name, Address, Telephone		Address to which Prizes are to be delivered	
Prize Recipient's Name Paul Michael Larson			
Address 247 Hunter Av			
City Dayton OH 45404			
Home Phone 513/228-1174		Bus. Phone 513/223-4275	

1. I hereby acknowledge that I have won the prizes listed below as a participant on the above named show. I understand that prizes are to be delivered at the above address (inside ground floor) or are to be available for pickup by me at the location nearest to my address at which the supplier can make them available. I understand that CBS is unable to specify an exact delivery date, but I will contact the above-named department should any prize be undelivered after sixty (60) days following the Tape Date by sending the attached postcard. If CBS or the prize supplier is unable to effect delivery because of inability to contact me for a period of sixty (60) days after the Tape Date, neither CBS nor the prize supplier shall have any further obligation for such delivery. I agree to pay all shipping costs for delivery outside the continental United States.
2. I understand that certain prizes may require an expenditure of labor and/or money to put them to use. I shall not hold CBS responsible for such expenditure unless the broadcast announcement of the prize award provided for it.
3. I agree to keep CBS Contestant Awards informed of my current address by supplying any address changes in writing. Neither CBS nor the prize supplier shall have any responsibility for misdelivered prizes if not notified of any address changes on a timely basis.
4. In the event the exact prize won cannot be awarded, the supplier may substitute an item of equal or greater value.
5. I understand that the shipper, and not CBS, is responsible for any merchandise damaged in shipment, and I agree to look solely to the shipper for any claim regarding damaged merchandise.
6. Neither CBS nor the prize supplier shall have any responsibility for undelivered merchandise if the omission is not reported in writing to CBS Contestant Awards within six (6) months of the Tape Date.
7. I hereby acknowledge that I have previously received a copy of the Contestant Release Agreement; and that it is a release which I agreed to be bound by prior to entering into any contest or game or concurrently therewith wherein a prize or prizes were won by me. Further, I have been reminded to review said agreement, and in particular paragraphs numbers 12 through 17 relating to the delivery and use of the prizes. I hereby reaffirm all terms in that agreement.

PRIZE	SUGGESTED RETAIL
1. MONEY one hundred four thousand nine hundred + fifty	104,950.00
2. QUALLOFIL PILLOWS	30.00
3. D'AMELIA PASTA	25.00
4. BLACK & DECKER XXXXXXXX COLLECTOR	50.00
5. CUTEX LIPSTICK	25.00
6. POLLENEX XX PURE AIR MACHINE	34.95
7. CONTROL DIET PLAN	25.00
8. AMF Minifish Sailboat	1,015.00
9. 6 nts for 2, MAP, Bahamas Princess Tower	900.00
10. Airfare for 2, RT, LA / Bahamas	1,736.00
11. 6 nts for 2, EP, Kauai Surf Hotel Hawaii	600.00
12. Inter-Island Airfare, RT, 2 / Hono / Kauai	199.80
13. Airfare for 2, RT, LA / Honolulu - Western	836.00
14.	
15.	
16. Paul M. Larson 302-416-3448	110,426.75

Signature of Prize Recipient

Soc. Sec. Number

Judge grants injunction as investigation continues

By PEG PANDORF
ASSISTANT EDITOR

A preliminary injunction was granted against Lebanon-based Minette Acra-Kelly, dba Group Dynamics Downline, by Federal Judge Sandra Beckwith Friday in U.S. District Court in Cincinnati.

Group Dynamics was operating from an address on Navaho Drive in Lebanon, soliciting memberships in an alleged world-wide lottery scheme. More than \$3.3 million is said to have been raised by principals in the organization before some of them allegedly left the country. Two have been arrested in Nashville, Tenn. on unrelated charges.

Also named in the injunction were Pleasure Time, Inc., dba Telephone Information Systems, Minette Acra-Kelly and Richard A. Welch.

Acra-Kelly, a Lebanon resident, was reached by telephone last Thursday morning in the Cayman Islands by Stan Whitten, investigator for the Securities and Exchange Commission, Whitten said.

"At 8:20 a.m. on March 23, I called a number provided to me as Minette Acra in the Cayman Islands," Whitten tes-

tified in court. "A man with a gravelly voice answered and I asked for Minette Acra. She came on the line and I identified myself and asked her if she would be present in court today. There was a pause and then she hung up the phone in my face."

Several mistruths allegedly told to investors by conference calls and in literature faxed or mailed were brought out in the testimony Friday. Investors were told:

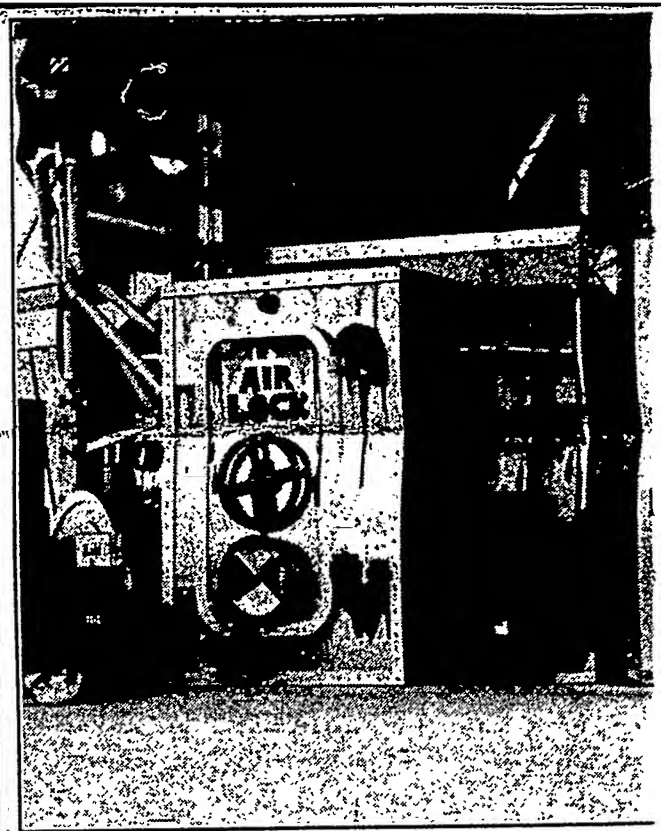
■ A Japanese group had pre-sold 50,000 entries. However, John Hicks, an attorney for Pleasure Time, Inc., testified that there were no Japanese investors.

■ During a Jan. 9 conference call, a completion fund existed. No such fund existed, Hicks said in sworn testimony.

■ The Maliseet tribe in Maine had agreed to operate the lottery from their reservation. No agreement had been reached or even negotiated, according to the SEC.

■ The company had all the technology needed to operate the 900 number world-wide to sell the lottery tickets. Again,

See INJUNCTION, Page 2-A



New park at Kings Island

It's a mess.

But that's by design as a new park within Paramount's Kings Island will debut when the park opens April 15.

Nickelodeon has brought its trademark brand of entertainment to KI this season in "Nickelodeon's Splat City," a three-acre area where all the mess culminates at the Green Slime Bowl in Mega-Mess-a-Mania, an unpredictable game show featuring the most outrageous moments from the hit Nickelodeon shows like "What Would You Do?" and "Super Sloppy Double Dare."

Shown above and at right are workers preparing the area for opening day.

Tax dispute leads to jail time

By MIKE COLEMAN
CITY EDITOR

A tax dispute between the city and a resident has led to one Lebanon Police officer allegedly being assaulted, the filing of a federal lawsuit and two residents placed in jail.

After Dale Sellers and his mother

assault of Lebanon Police patrolman Dave Gehringer.

Sellers, 31, and his mother, 58, each face misdemeanor charges of assault and obstructing official business. Dale faces an additional charge of falsification while Jacquelyn faces a second assault charge.

Their family claimed they did not show up at the trial because of a pending lawsuit



Injunction: Small portions taken from many?

Continued from Page 1-A

Hicks testified that TIS did not have the technology.

No one was present to represent the defendants, all of whom the plaintiffs said were notified in some way. One of the principals, Michael Corrigan, was served by a U.S. Marshal in jail in Tennessee. Richard A. Welch was sent a 125-page fax by the SEC, but refused to appear in court, according to the SEC.

One investor testified on Friday—Steven Minasi of Falls Church, Va. He said he first heard about the lottery through America Online and Internet. He received information on how the lottery was to be operated and how much money could be earned by investors. He said he made six to eight, maybe 10 phone calls to a conference call number in Philadelphia. Acra and Welch were two names he remembered as leaders of group discussions. They answered questions as to where the money was going and how far along the plan was moving.

"At first, Minette Acra would start the calls," Minasi testified. "It was script-like at first, then they would answer questions."

Minasi said he was told that the lottery would be up and running in March of 1995 by both Acra and Welch.

"The last time I called, several weeks ago, Acra's voice on the recorder said the operations had moved to Orlando," Minasi said. "I called the numbers in Orlando and was told by a different voice that records were being transferred. I called again a few days ago, it had been disconnected."

"Everyone has left for the Cayman Islands, it looks like."

Joy Boddie, attorney for the SEC, played tapes during the hearing of several conference calls which had been made by an investor to confirm the claims made in court.

The alleged scheme did not involve taking a lot of money from one individual, but rather a small amount of money from several individuals. Over 20,000 investors are believed to be involved. They paid from \$129 to \$200 each to invest in the program. Many have called Lebanon Police Detective Don McKinney after reaching a recording at the Group Dynamics phone number in Lebanon. They ask him what is happening with their investment.

McKinney's advice to investors is to change their bank account number as soon as possible, because investors faxed not only their social security number but also a copy of a check made out to Group Dynamics. The company potentially has the bank account numbers of several thousand people in the U.S.

"The important thing to tell people is, never give out that kind of information to anyone, especially people you don't know," McKinney said.

Church event planned

The Eighth Street Church of God in Franklin, with Pastor Jeff Kilburn, is sponsoring a ham and bean dinner on Saturday, April 1 from 5 to 8 p.m.

Church members are asking for a \$3.50 donation per person and all proceeds will be used to purchase sound equipment for the church.

The church is located at 118 W. 8th St. For more information, call 746-5042.

On April 5th,
Lebanon Citizens National Bank
begins a new tradition

Miami's fish deformed

"There's a strong indication it's related to the nutrient loading," said Ron Ware, the OEPA, Dayton office's, surface water division. "With the river survey results, the agency is in a dilemma. We're seeing a problem in the river and it could be from the discharge from these treatment plants."

Lebanon, Warren County and Mason operate treatment plants in southern Warren County. All three face stricter requirements — cutting ammonia discharge by more than half — when projected expanded treatment plants open

to handle the growth in the county.

The county, who has had a permit for expansion of the Deerfield Township Lower Little Miami Wastewater Treatment Plant (LLMWWTP) on U.S. 22-3 held up for two years, doubts the treatment plants are to blame.

Commissioner Pat South said the fish sampling the OEPA is basing its new requirements on was taken from an isolated and stagnant area of the river, was outdated (1993), and involved only three days of tests. But the OEPA is apparently relying on that data, county officials

said, to try to make Warren County spend about \$3 million more than planned to expand the capacity of the LLMWWTP by 3.65 million gallons per day.

"I don't know what it proves one way or another. We're saying (the EPA) needs a year's worth of data, two year's worth of data to see what is happening," Warren County Sanitary Engineer Richard Renneker said. "We asked 'If we spend the money, but we aren't the reason and the problem isn't solved, are you

See RIVER, Page 3-A



Mike Coleman photo

Lebanon, as the two enjoy the recent wave of

Fraud scheme alleged by feds

□ Based in Lebanon, possibly millions raised

By PEG PANDORF
ASSISTANT EDITOR

A multi-million dollar national fraudulent investment scheme had its headquarters in Lebanon, federal investigators allege.

Lebanon resident Minette Acra-Kelly is one of three individuals and two businesses named as defendants in a lawsuit filed last week in U.S. District Court in Cincinnati by the U.S. Securities and Exchange Commission (SEC).

Acra-Kelly is named in the lawsuit as a principal of Group Dynamics Downline, allegedly part of a world-wide lottery program overseen by a company known as Pleasure Time, Inc. and Telephone Information Systems.

The defendants are accused of wire fraud and mail fraud—allegedly raising at least \$3.3 million from investors in the alleged investment fund

Investors were told:

■ This cash accumulation system has, without exception, the easiest, most lucrative income possibilities ever devised for the average person.

■ Although millions of people will be contestants in the Lottery itself, a limited number of individuals (maximum 50,000) will be allowed to enroll as members in North America and participate in the TIS/World-Wide Lottery Marketing and Compensation Program.

■ Native American Indians, in conjunction with Telephone Information Systems, an international company, will operate the American Indian Lottery on their reservation.

scheme.

The program was advertised mainly by fax-machine and conference call referrals.

See LOTTERY, page 6-A

Upheavals in school administration

Jeff McCarty, a Tróvillo Road resident who attended the public

request, including McCarty. The proposed 72-acre site is

missioners will probably hear the application within 30 days of the

the area. Others mentioned in opposition to the rezoning request ongoing problems unpleasant odors, truck traffic and litter along roadways.

The existing landfill is foritary purposes — in other household and business use. The construction debris pile would accommodate builders who build in Warren and northern Hamilton counties. The Ohio EPA has mandated BFI close its existing operation by May of 1999.

Lottery: Phone call gets machine

Continued from Page 1-A although ads were placed in USA Today newspaper and on the Internet computer network.

Original investors were encouraged to enroll for \$129 with an annual \$25 renewal fee, according to the suit. The address and phone number given in advertising flyers are to a residence at 1109 Navaho Drive. Acra-Kelly's name was given as contact person at that address, the suit claims.

According to company literature, members were supposed to sign up more investors, thus earning a potential cumulative weekly income of up to \$19,012 for having six referrals and 50 people in their pool.

The income would come from a lottery run by a 900 telephone number. Several different Native American tribes, including the Kootenai of Idaho, were contacted to run the lottery. The Kootenai rejected the offer, and so did five tribes in Arizona, according to the SEC. On Dec. 19, the chief of the Houlton Band of the Maliseet Indians in Maine signed an agreement to negotiate a binding agreement, the suit claims.

No further negotiations occurred in 1994 and as of January no agreement had been negotiated with the tribe, according to the suit. The lottery was supposed to be \$100 million per week, according to Lebanon police.

Investors were allegedly told various stories, including one that TIS had a contract with all 15 tribes in Maine. A curious potential investor told Detective Don McKinney of the Lebanon police that he called the Bureau of Indian Affairs and found out that there are only four tribes in Maine.

McKinney said that no one in

Warren County has come forward to say they have been an investor in the suspected scam, but he has had calls from potential investors as far away as the Virgin Islands and Canada.

"My pat answer to anyone who called asking about the plan was 'if it seems too good to be true, it usually is,'" McKinney said. He also said that the curious were surprised to hear that the Navaho Drive address was a residence and not a business.

According to the lawsuit, beginning in August of 1994, the defendants sold and offered to sell unregistered securities in the "fraudulent investment fund scheme." The first program, offered between August 1994 and December 1994 was called the TIS/World Wide Lottery and Compensation Plan. The second program was offered between December 1994 and Jan. 14, 1995 and was called the TIS/American Indian Lottery Marketing and Compensation Plan. The third has been offered from February 1995 to the present and is called the European Leg.

Each name change brought an increase in membership fees—the original \$129 grew to \$200 for the European Leg.

Detective McKinney estimated that about 20,000 investors have taken part in the scheme.

In an affidavit signed by Stanley B. Whitten, supervisory investigator in the midwest regional office of the SEC, he said he has reviewed bank records pertaining to an account in the name of Group Dynamics Downline at PNC Bank in Cincinnati. From Nov. 1 through Dec. 27, 1994, aggregate deposits were found of approximately \$567,204.

The SEC alleges money withdrawn in the same period

totalled \$496,812 with \$323,212 going to the bank accounts of Pleasure Time, Inc., \$106,500 going to Lebanon resident Paul Larson, and \$28,500 to Acra-Kelly. Larson was identified in the affidavit as Acra-Kelly's boyfriend.

Calls to the Lebanon phone number were answered by a recording, telling investors that Group Dynamics has transferred all business to TIS. It gives a new address, fax and phone number in Orlando, Florida and the woman's voice encourages investors to "be patient and keep a positive attitude." The woman also assures investors that the company hopes to complete its project in 1995. However, both Florida phone numbers have been disconnected.

Others named in the suit are Pleasure Time, Inc., Acra-Kelly dba Group Dynamics Downline, Richard Welch of Lakeland, Fla. and John C. Hicks, an attorney from Princeton, Ind. Named in Whitten's affidavit are Indianapolis resident J. Austin Bennett and Michael Corrigan, who, according to the FBI, uses "Ron Cortez" as an alias, and Larson.

Corrigan and Bennett have recently been arrested in Nashville, Tenn. and face charges in a 25-count indictment involving allegations of wire and mail fraud in an unrelated business venture.

Pleasure Time, Inc., is a Florida corporation with its primary place of business in Lakeland. Its main business is a 900 phone service that provides sports information and "fantasy calls."

The matter will go before Judge Carl B. Rubin this Friday in U.S. District Court in Cincinnati.

FAR OAKS ORTHOPE

To better serve the southern Miami Valley we are please to announce our newest satellite office located at 340 W. Central in Springboro, OH. in the Sure Care Medical Bldg. For appointments or questions call 298-0452.

DENNIS R

CERTIFIED PUBLIC

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Lebanon, C
932-1

Tax Preparation
Business C
Bookke

Hidden Valley Fruit Farm

- Bare Root
- Nursery Stock
- Spray C

Blue Spruce

18"

3 for \$14.00

5474 N. ST. RT.
6 MILES NORTH OF L

Colony Sq. Cinemas / All Matinees \$1.50 / All Shows \$3.00
Lebanon 932-3456 / Before 6 pm / After 6 pm

Colony Square Shopping Center, Main Street

The Brady
Bunch Movie

Saving America
From The '90's... PG-13

Held Over Nightly
9:30

Sat. thru Thurs.
4:15 & 9:30

AUCTION

SAT. MAR. 25, 1995 10:30 AM
109 W. Mulberry St., Lebanon, Ohio IOOF Hall

ANTIQUES AND COLLECTIBLES: 4 drawer walnut dresser, walnut vanity with bench, walnut 6 drawer chest, walnut night stand, brass gooseneck floor lamp, kerosene





ONE ACCOUNT
GOLD



13-31/420

2-15 19 95

PAY TO
THE ORDER OF

\$ 600⁰⁰/₁₀₀

Six hundred and ^{no}/₁₀₀

DOLLARS

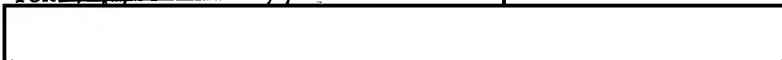


THE FIFTH THIRD BANK
MACK-BRIDGETOWN BANKING CENTER
3715 EBENEZER RD. CINCINNATI, OH 45248



FOR

March - June



b6
b7c

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 3/28/95

SA [redacted] personally received from Assistant United States Attorney [redacted] documents which were obtained by a Federal Grand Jury subpoena issued by the United States District Court, District of Southern Ohio, Cincinnati, Ohio, directing [redacted]

[redacted]

[redacted]

[redacted]

[redacted]

b3

Investigation on 3/24/95 at Cincinnati, Ohio File # 196B-CI-64415-87
by SA [redacted] :reh Date dictated 3/28/95

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- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/11/95

[redacted]
telephone [redacted] was telephonically interviewed at her place of employment, [redacted]
telephone [redacted] She was advised of the identity of the interviewing agent and the purpose of the interview. She provided the following information:

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[redacted] was telephonically contacted at her residence by [redacted] and PAUL LARSON only a couple of days ago. They did not say where the call originated, but it sounded to [redacted] as if the callers were at a telephone booth. They asked if [redacted] had been contacted by authorities.

[redacted] periodically collects mail sent to [redacted] and PAUL LARSON at their former residence, 1109 Navaho Drive, Lebanon. She was last inside their residence on Saturday, May 6, 1995. She does not open and review their GROUP DYNAMICS DOWNLINE (GDD) correspondence anymore. This is not necessary since she no longer has a Florida address to forward selected correspondence. Most of the GDD correspondence came from disgruntled investors; some correspondence originated with the Securities and Exchange Commission.

Prior to the departure of [redacted] and PAUL LARSON, [redacted] believes they removed most GDD records from the Navaho address. She said LARSON's garage is filled with boxes of papers, she thinks they predate GDD though. She thinks that LARSON might have rented storage space.

(telephonically)

Investigation on 5/10/95 at Middletown, Ohio File # 196B-CI-64415-88by SA [redacted] reh Date dictated 5/11/95b6
b7C

Memorandum



To : SAC, CINCINNATI (196-CI-64415) (P)

Date 5/11/95

From : SA ROBERT E. HLAVAC (MRA)

Subject:

[redacted] aka
[redacted]

PAUL M. LARSON;

[redacted] dba

TELEPHONE INFORMATION SYSTEMS, INC.;

GROUP DYNAMICS DOWNLINE,

1109 Navaho Drive,

Lebanon, Ohio

FBW

OO: Cincinnati

b6
b7C

Reference Tampa airtel to Memphis, dated 4/18/95.
captioned [redacted]

[redacted] ET AL FBW; MF; ML; OO: MEMPHIS."

On 5/10/95, the writer met with AUSA [redacted] Cincinnati, who suggested the we travel to Nashville, Tennessee, to meet with AUSA [redacted] Middle District of Tennessee, and SA [redacted] Memphis Division/Nashville RA. The Memphis Division advised the Bureau arrested [redacted] and [redacted] in Florida. They are all probably implicated in our case. The schemes are similar; i.e. the object of the scam is to entice mass participation of small investors.

near
(X)

[redacted] advised that [redacted] had entrusted her with boxes of documents relating to TELEPHONE INFORMATION SYSTEMS, INC. and GROUP DYNAMICS DOWNLINE. After [redacted] February 1995 arrest, she placed these boxes into a storage locker. [redacted] executed consent to search forms permitting the Bureau to seize these documents, which were forward to Nashville.

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SA [redacted] advised that a review of seized documents could take over a day. He also suggested that Cincinnati might want to interview [redacted] who is being held without bond and who has made a proffer in their case.

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2 - Cincinnati

REH:reh

REH

196B-CI 64415-89

SEARCHED	INDEXED
SERIALIZED	FILED
MAY 11 1995	
FBI - CINCINNATI	

196B-CI-64415

b6
b7c

The writer, in consultation with SA [] and AUSA [] has arranged for travel to Nashville for document inspection and possible interview on May 22-23, 1995. The writer will travel via Bucar to Nashville on Sunday, 5/21/95. The writer will return on the afternoon of 5/23/95, if we conclude early, or on the morning of 5/24/95, if our work goes late into the afternoon.

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 5/17/95

TO : SAC, INDIANAPOLIS
 FROM : SAC, CINCINNATI (196B-CI-64415) (P)
 SUBJECT : [redacted] aka

PAUL M. LARSON;

[redacted] dba

TELEPHONE INFORMATION SYSTEMS, INC.;
 GROUP DYNAMICS DOWNLINE,
 1109 Navaho Drive,
 Lebanon, Ohio;
 FBW;
 OO: Cincinnati.

Reference Cincinnati airtel to Boston, dated 1/27/95, and Cincinnati airtel to Cleveland, dated 2/22/95.

Enclosed for each respective division are the original and one copy of Federal Grand Jury subpoenas from the Southern District of Ohio, Cincinnati, Ohio.

For the information of receiving offices, GROUP DOWNLINE DYNAMICS (GDD), operated by [redacted] and PAUL LARSON, was marketing shares in TELEPHONE INFORMATION SYSTEMS' (TIS) AMERICAN INDIAN LOTTERY PROGRAM (AILP) through an Ohio boiler room operation. Through mid-January 1995, GDD enrolled over 20,000 members raising over \$3 million to help establish the AILP, a nationwide 900 number telephone lottery.

- 3 - Indianapolis (Encl. 6)
- 2 - Jacksonville (Encl. 2)
- 3 - Kansas City (Encl. 2)
- 2 - Miami (Encl. 2)
- 3 - Tampa (Encl. 8)
- ② - Cincinnati

REH:reh

(15)

Approved: *[Signature]*

Transmitted

(Number) (Time)

Per

196B-CI-64415-92
 Searched _____
 Serialized RO
 Indexed _____
 Filed RO

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b7C

196B-CI-64415

b3
b6
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[redacted] were subpoenaed in [redacted]
[redacted]
[redacted] Many of the enclosed subpoenas,
which are directed to [redacted]
[redacted]

[redacted] In late February 1995, [redacted] and [redacted] were
arrested in Florida on unrelated federal charges arising in
the Memphis Division for operating a similar multi-level
marketing scam.

Several other subpoenas are directed to individuals
who are either a TIS principal or were engaged as TIS
employees to market the AILP. The objective of these
subpoenas is to obtain TIS business records.

If serving agents have any questions concerning the
above subpoenas, contact SA [redacted] Middletown RA,
telephone [redacted] or AUSA [redacted] telephone
[redacted]

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b7C

LEADS:

INDIANAPOLIS DIVISION:

- 1) At Indianapolis, Indiana:
Serve subpoena for [redacted]
[redacted]

b3

- 2) At Indianapolis, Indiana:
Serve subpoena for [redacted]
[redacted]

- 3) At [redacted]
Serve a subpoena for [redacted]
[redacted]

JACKSONVILLE DIVISION:

- At Jacksonville, Florida:
Serve subpoena for [redacted]
[redacted]

196B-CI-64415

KANSAS CITY DIVISION:

At [redacted]
Interview [redacted] and serve a subpoena for [redacted]

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MIAMI DIVISION:

At [redacted]
Serve subpoena for [redacted]

TAMPA DIVISION:

1) At Orlando, Florida:
Serve subpoena for [redacted]

2) At Orlando, Florida:
Serve subpoena for [redacted]

3) At Orlando, Florida:
Interview and serve a subpoena for [redacted]

4) At Orlando, Florida:
Serve a subpoena for [redacted]

FBI

TRANSMIT VIA:

☒ Teletype
☐ Facsimile
☐ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☒ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☒ UNCLAS

Date 5/18/95

FM FBI CINCINNATI (196B-CI-64415) (P)

TO FBI MEMPHIS/ROUTINE/

BT

UNCLAS

CITE: //3160:3945//

SUBJECT: [] AKA []
 PAUL M. LARSON; [] DBA TELEPHONE INFORMATION
 SYSTEMS, INC.; GROUP DYNAMICS DOWNLINE, 1109 NAVAHO DRIVE,
 LEBANON, OHIO; FBW; OO: CI.

b6
b7C

RE TELEPHONE CALL BETWEEN SA [] CINCINNATI
 DIVISION/MIDDLETOWN RESIDENT AGENCY AND SA []
 MEMPHIS DIVISION/NASHVILLE RESIDENT AGENCY ON MAY 11, 1995.

(X)
 REF
 Corrections
 made
 ban

AUTHORITY IS REQUESTED FOR SA [] TO TRAVEL TO
 NASHVILLE TO REVIEW DOCUMENTS MAINTAINED AT NASHVILLE RESIDENT
 AGENCY. SA [] WILL ALSO BE TRAVELING WITH AUSA

[] CINCINNATI, OHIO. SA [] AND AUSA
 196B-CI-64415-93

1-Cincinnati

RE Hiban

(1)

Approved: _____ Original filename: BAN003W.138Time Received: _____ Telprep filename: BAN00350.138MRI/JULIAN DATE: 2076/138 ISN: 006FOX DATE & TIME OF ACCEPTANCE: May 16.38 pmb6
b7C

^PAGE 2 (196B-CI-64415) UNCLAS

[REDACTED] WERE INVITED BY SA [REDACTED] AND AUSA [REDACTED]
[REDACTED]

b6
b7c

THE DOCUMENTS TO BE REVIEWED WERE OBTAINED PURSUANT TO A
CONSENT TO SEARCH SIGNED IN MARCH, 1995, BY [REDACTED]

[REDACTED]

[REDACTED] FBW, MF, ML; OO: MEMPHIS. BOXES OF
DOCUMENTS WERE ENTRUSTED TO [REDACTED] BY [REDACTED] IN FEBRUARY,
1995, BEFORE HIS TRAVEL TO THE BAHAMAS WITH [REDACTED]

[REDACTED] PLACED THE DOCUMENTS INTO A FORT MYERS,
FLORIDA, STORAGE UNIT SUBSEQUENT TO [REDACTED] ARREST AT A
FORT LAUDERDALE AIRPORT.

THE DOCUMENTS WERE FORWARDED TO THE NASHVILLE RESIDENT
AGENCY. SA [REDACTED] ADVISES THAT THESE DOCUMENTS ARE MORE
PERTINENT TO THE CINCINNATI INVESTIGATION THAN TO MEMPHIS.

IF APPROVED, SA [REDACTED] WILL TRAVEL TO NASHVILLE BY BUREAU
CAR ON SUNDAY AFTERNOON, MAY 21, 1995. SA [REDACTED] WILL RETURN
TO CINCINNATI EITHER ON THE AFTERNOON OF TUESDAY, MAY 23,

^PAGE 3 (196B-CI-64415) UNCLAS

1995, OR WEDNESDAY, MAY 24, 1995, DEPENDING ON CASE
DEVELOPMENTS.

BT

FD-36 (Rev. 8-29-85)

FBI

TRANSMIT VIA:

☒ Teletype
☐ Facsimile
☐ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☒ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☒ UNCLAS

Date 5/18/95

FM FBI CINCINNATI (196B-CI-64415) (P)

TO FBI MEMPHIS/ROUTINE/

BT

UNCLAS

CITE: //3160:3945//

SUBJECT: [REDACTED]

AKA [REDACTED]

PAUL M. LARSON; [REDACTED] DBA TELEPHONE INFORMATION
SYSTEMS, INC.; GROUP DYNAMICS DOWNLINE, 1109 NAVAHO DRIVE,
LEBANON, OHIO; FBW; OO: CI.

RE TELEPHONE CALL BETWEEN SA [REDACTED] CINCINNATI
DIVISION/MIDDLETOWN RESIDENT AGENCY AND SA [REDACTED]
MEMPHIS DIVISION/NASHVILLE RESIDENT AGENCY ON MAY 11, 1995.

ON 5/21/95, will
~~AUTHORITY IS REQUESTED FOR~~ SA [REDACTED] ~~TO~~ TRAVEL TO
NASHVILLE TO REVIEW DOCUMENTS MAINTAINED AT NASHVILLE RESIDENT
AGENCY. SA [REDACTED] WILL ALSO BE TRAVELING WITH AUSA

[REDACTED] CINCINNATI, OHIO. SA [REDACTED] AND AUSA

*1-Cincinnati
RE Hibon
(1)*

w/ corrections pgs 1, 2, 3

Approved: [Signature] Original filename: BAN003W.138Time Received: [Signature] Telprep filename: _____

MRI/JULIAN DATE: _____ ISN: _____

FOX DATE & TIME OF ACCEPTANCE: _____

b6
b7c

^PAGE 2 (196B-CI-64415) UNCLAS

[REDACTED] WERE INVITED BY SA [REDACTED] AND AUSA [REDACTED]
[REDACTED]

b6
b7C

THE DOCUMENTS TO BE REVIEWED WERE OBTAINED PURSUANT TO A
CONSENT TO SEARCH SIGNED IN MARCH, 1995, BY [REDACTED]
[REDACTED]

[REDACTED] FBW, MF, ML; OO: MEMPHIS. BOXES OF
DOCUMENTS WERE ENTRUSTED TO [REDACTED] BY [REDACTED] IN FEBRUARY,
1995, BEFORE HIS TRAVEL TO THE BAHAMAS WITH [REDACTED]

[REDACTED] PLACED THE DOCUMENTS INTO A FORT MYERS,
FLORIDA, STORAGE UNIT SUBSEQUENT TO [REDACTED] ARREST AT A
FORT LAUDERDALE AIRPORT.

THE DOCUMENTS WERE FORWARDED TO THE NASHVILLE RESIDENT
AGENCY. SA [REDACTED] ADVISES THAT THESE DOCUMENTS ARE MORE
PERTINENT TO THE CINCINNATI INVESTIGATION THAN TO MEMPHIS.

~~RE: MEMPHIS~~ SA [REDACTED] WILL TRAVEL TO NASHVILLE BY BUREAU
CAR ON SUNDAY AFTERNOON, MAY 21, 1995. SA [REDACTED] WILL RETURN
TO CINCINNATI EITHER ON THE AFTERNOON OF TUESDAY, MAY 23,

^PAGE 3 (196B-CI-64415) UNCLAS

1995, OR WEDNESDAY, MAY 24, 1995, DEPENDING ON CASE
DEVELOPMENTS. *SAC's Cincinnati and Memphis*
BT concur with the above travel.



- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/19/95

[redacted] b3
[redacted] was served with a
Federal Grand Jury subpoena issued by the United States District
Court, District of Southern Ohio, Cincinnati, Ohio. The subpoena
directs [redacted] to produce by 5/24/95 all documents relating to [redacted]
[redacted]
[redacted]

Investigation on 5/19/95 at Cincinnati, Ohio File # 196B-CI-64415 ⁻⁹⁴by SA ^{AdP} [redacted] :reh Date dictated 5/19/95b6
b7C

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/19/95

[redacted]
[redacted]
telephone [redacted] was served with a Federal Grand Jury subpoena
issued by the United States District Court, District of Southern
Ohio, Cincinnati, Ohio. The subpoena directs [redacted] to produce by
5/24/95 all documents relating to [redacted]
[redacted]
[redacted]

b3

Investigation on 5/19/95 at Covington, Kentucky File # 196B-CI-64415 -95
by SA [redacted] :reh Date dictated 5/19/95

b6
b7C

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/30/95

[redacted]
[redacted]
telephone [redacted] was served with a Federal Grand Jury subpoena, dated 5/12/95, issued by the United States District Court, District of Southern Ohio, Cincinnati, Ohio. The subpoena directs [redacted] to produce by 6/7/95 all documents [redacted]
[redacted]
[redacted]

b3

Investigation on 5/25/95 at Lebanon, Ohio File # 196B-CI-64415 -96

by SA [redacted] :reh Date dictated 5/30/95

b6
b7C

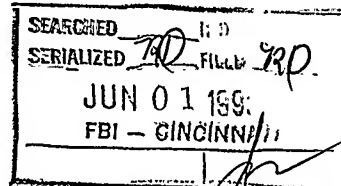
- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/19/95

b3

[redacted]
[redacted] telephone [redacted]
was served with a Federal Grand Jury subpoena issued by the
United States District Court, District of Southern Ohio,
Cincinnati, Ohio. The subpoena directs [redacted] to produce by 5/24/95
all documents relating to [redacted]
[redacted]

Investigation on 5/19/95 at Cincinnati, Ohio File # 196B-CI-64415-97by SA [redacted] :reh Date dictated 5/19/95b6
b7C

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/30/95

Special Agent [redacted] Federal Bureau of
Investigation, Middletown, Ohio, attempted without success to
serve several federal grand jury subpoenas at [redacted]

b3

[redacted] The subpoenas directed [redacted]
[redacted] provide [redacted]

[redacted]

Investigation on 5/25/95 at Lebanon, Ohio File # 196B-CI-64415 -98

by SA [redacted] :reh Date dictated 5/30/95

b6
b7C

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 5/31/95

TO : SAC, INDIANAPOLIS
 FROM : SAC, CINCINNATI (196B-CI-64415) (MRA) (P)
 SUBJECT : [redacted] aka

PAUL M. LARSON:

[redacted] dba

TELEPHONE INFORMATION SYSTEMS, INC.;
 GROUP DYNAMICS DOWNLINE,
 1109 Navaho Drive,
 Lebanon, Ohio;
 FBW;
 OO: Cincinnati.

Reference Cincinnati airtel to Indianapolis, dated 5/17/95.

Enclosed for Indianapolis are the original and one copy of a Federal Grand Jury subpoena, dated 5/12/95, from the Southern District of Ohio, Cincinnati, Ohio.

GROUP DOWNLINE DYNAMICS (GDD), operated by [redacted] PAUL LARSON, was marketing shares in TELEPHONE INFORMATION SYSTEMS' (TIS) AMERICAN INDIAN LOTTERY PROGRAM (AILP) through an Ohio boiler room operation. Through mid-January 1995, GDD enrolled over 20,000 members raising over \$3 million to help establish the AILP, a nationwide 900 number telephone lottery.

[redacted] were subpoenaed [redacted]

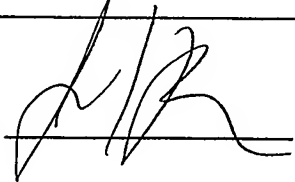
3 - Indianapolis (Encl. 2)
 ② - Cincinnati
 REH:reh
 (5)

Searched

Serialized

Indexed

Filed

Approved: 

Transmitted

(Number) (Time)

Per

b6
b7C

b3

99

196B-CI-64415

196B-CI-64415

[redacted] TIS was a subsidiary of PLEASURE
TIME, INC., whose principals were [redacted]

b3
b6
b7C

The enclosed subpoena is directed to [redacted]

b3

If serving agents have any questions concerning the
above subpoenas, contact SA [redacted] Middletown RA,
telephone [redacted] or AUSA [redacted] telephone
[redacted]

b6
b7C

LEADS:

INDIANAPOLIS DIVISION.

1) At [redacted]

Serve subpoena for [redacted]

b3

- 11 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/25/95

A subpoena duces tecum was issued on May 12, 1995 by the Clerk of the U.S. Court, Southern District of Ohio, directed to [redacted] calling for the production of [redacted] in Federal Grand Jury on May 24, 1995.

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b7C

On May 25, 1995 was served on [redacted]
[redacted]
[redacted] was advised to forward all records directly to Assistant United States Attorney [redacted]
[redacted] 220 Potter Stewart U.S. Courthouse, 100 East Fifth Street, Cincinnati, Ohio 45202.

Investigation on 5/25/95 at Miami, Florida 196B-CI-64415-101
File # 196B-CI-64415 MDU
by IA [redacted] KDC:kdc Date dictated 5/25/95

b6
b7C

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 5/26/95

TO : SAC, CINCINNATI (196B-CI-64415)
 FROM : SAC, MIAMI (196B-CI-64415) (WCC-2) (RUC)
 SUBJECT : [REDACTED] AKA

b6
 b7C

PAUL M. LARSON;
 [REDACTED]

DBA TELEPHONE INFORMATION SYSTEMS INC.,;
 GROUP DYNAMICS DOWNLINE,
 1109 NAVAHO DRIVE,
 LEBANON, OHIO;
 FBW;
 OO: CINCINNATI

Reference Cincinnati airtel to Indianapolis, dated 5/17/95.

Enclosed for Cincinnati are the following:

b3

1. An FD-340 containing an executed original Federal Grand Jury subpoena directed to [REDACTED]

2. An original and two copies of an FD-302 reflecting service of Federal Grand Jury subpoena.

For the information of the Cincinnati Division, requested records will be forwarded to [REDACTED] Assistant United States Attorney, U.S. ATTORNEY'S OFFICE, 220 Potter Stewart U.S. Courthouse, 100 East Fifth Street, Cincinnati, Ohio, 45202.

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 b7C

② Cincinnati (Enc. 4)
 1- Miami
 PJV:pjv
 (3)

196B-CI-64415-102

SEARCHED	INDEXED
SERIALIZED	FILED
JUN 5 1995	
FBI - CINCINNATI	
Per [Signature]	

Approved: _____

Transmitted _____

(Number) (Time)

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 6/2/95

TO : SAC, TAMPA
 FROM : SAC, CINCINNATI (196B-CI-64415) (MRA) (P)
 SUBJECT : [redacted] aka

PAUL M. LARSON:

[redacted] dba

TELEPHONE INFORMATION SYSTEMS, INC.;
 GROUP DYNAMICS DOWNLINE,
 1109 Navaho Drive,
 Lebanon, Ohio;
 FBW;
 OO: Cincinnati.

Reference Cincinnati airtel to Indianapolis, dated
 5/17/95.

Enclosed for Tampa are the original and one copy of
 a Federal Grand Jury subpoena from the Southern District of
 Ohio, Cincinnati, Ohio.

GROUP DYNAMICS DOWNLINE (GDD), operated by [redacted]
 [redacted] and PAUL M. LARSON, marketed shares in TELEPHONE
 INFORMATION SYSTEMS' (TIS) AMERICAN INDIAN LOTTERY PROGRAM
 (AILP) through an Ohio boiler room operation. Through mid-
 January 1995, GDD enrolled over 20,000 members raising over \$3
 million to help establish the AILP, a nationwide 900 number
 telephone lottery. Much of this money was sent to Florida
 banks. Cincinnati is trying to follow the money trail.

196B-CI-64415-103

3 - Tampa (Encl. 2)

2 - Cincinnati

REH:reh

R&S

Searched _____
 Serialized 20
 Indexed _____
 Filed 20

Approved: 

Transmitted _____

(Number)

(Time)

Per _____

b6
b7c

On 1/15/95, GDD stopped their solicitation of new members. By mid-February, [] and LARSON had relocated to the Orlando, Florida, area where they joined []

[] aka [] and [] In late February, [] and LARSON accompanied [] and [] on a private plane to the Bahamas where a new telemarketing scam called the CARIBBEAN DREAM 5 was to be established. [] and LARSON remained behind when [] and [] attempted to re-enter the United States at Ft. Lauderdale, Florida, where [] was arrested on separate Fraud By Wire, Mail Fraud and Money Laundering charges []

[] Cincinnati believes [] and LARSON remained off-shore in the Bahamas or the Cayman Islands for sometime.

On 6/1/95, [] [] was interviewed by Securities and Exchange officials. Upon the departure of [] and LARSON, [] was entrusted with the key to their Navaho Drive residence. She has collected their mail and at times forwarded items to Florida. As recently as 5/31/95, [] received a telephone call from [] In this last conversation, [] acknowledged receiving a package, possibly a TIS membership list, addressed to []

[] thinks this address is a mail drop.)

[] could possibly be either [] or LARSON. [] is a white female, dob [] 5'10 - 6', 165 - 185 pounds, large square frame with broad shoulders, brown hair and eyes, SOC [] PAUL M. LARSON is a white male, dob 5/10/49, 6'1", 220 - 230 pounds, pudgy build with a thick neck, white hair, hazel eyes, SOC 302-46-3448. LARSON's voice may be distinctive as he might be suffering from a recurrence of throat cancer.

There are no arrest warrants issued for either [] or LARSON.

PLEASURE TIME, INC., the parent company of TIS, was incorporated in April 1994 to provide the Orlando, Florida, area with a telephone sex service. [] and [] utilized the professional services of a Florida certified public accountant named [] to establish both companies and bank accounts for them. Cincinnati would appreciate any information Tampa could provide regarding []

196B-CI-64415

LEADS:

TAMPA DIVISION:

1) At Tampa, Florida:
Serve subpoena for [REDACTED]

b3

2) At [REDACTED] Florida:
Identify addressee [REDACTED] receiving mail at [REDACTED]

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b7C

If this address is private post office such as Mail Boxes
Etc., identify all individuals with access to it.

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 5/30/95

TO : SAC, CINCINNATI (196B-CI-64415) ✓
 FROM : SAC, JACKSONVILLE (196B-CI-64415) (RUC)
 SUBJECT : [REDACTED] AKA;
 ET AL;
 FBW;
 OO: CINCINNATI

b6
b7C

Re Cincinnati airtel to Indianapolis, 5/17/95.

Enclosed for Cincinnati is an FD-340 containing an
 executed original Federal Grand Jury subpoena served on [REDACTED]
 [REDACTED] as requested in the above
 referenced communication.

b3

No further investigation being conducted by
 Jacksonville.

② - Cincinnati (Enc. - 1) *ja*
 1 - Jacksonville
 CTF/lev
 (3)

196B-CI-64415-104

Approved: *ernk/L*

Transmitted

(Number) (Time)

AUTOMATED INDICIES *dtz/ML*

SEARCHED <i>80</i>	INDEXED <i>80</i>
SERIALIZED <i>80</i>	FILED <i>80</i>
JUN 07 1995	
FBI - CINCINNATI	

b6
b7C

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 06/08/1995

✓ To: CINCINNATI

Attn: SA [REDACTED]

b6
b7c

From: MEMPHIS

Squad 6, Nashville RA

Contact: SA [REDACTED]

Approved By: [REDACTED]

Drafted By: [REDACTED] dsm

File Number(s): 196B-ME-46498 (Pending) C/A [REDACTED] (rec'd)
196B-CI-64415 (Pending) C/A [REDACTED]

Title: [REDACTED]

ET AL;
FBW, MF, ML;
OO: MEMPHIS

and

[REDACTED]
PAUL LARSON;
ET AL;
FBW;
OO: CINCINNATI

ARMED AND DANGEROUS

Synopsis: To provide evidence, recovered in Memphis investigation, pertinent to Cincinnati investigation.**Reference:** Numerous telephone calls between SA [REDACTED] and SA [REDACTED]. Also reference SA [REDACTED] and AUSA [REDACTED] trip to Nashville, Tennessee, on May 21 - 23, 1995, for the purpose of reviewing evidence and interviewing [REDACTED].**Package Copy:** Being forwarded under separate cover via Federal Express to Cincinnati are the following:

One box containing numerous applications and other paperwork pertaining to TELEPHONE INFORMATION SYSTEMS (TIS) and the WORLD WIDE INDIAN LOTTERY. Also contained in this box are eight (8) original cassette tape recordings of the subjects in

1

AUTOMATED INDICIES *dm*

196B-CI-64415-106

SEARCHED	INDEXED
SERIALIZED <i>70</i>	FILED <i>70</i>
JUN 13 1995	
FBI - CINCINNATI	

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b7c

To: CINCINNATI From: MEMPHIS, Nashville RA
Re: 196B-ME-46498, 06/08/1995

the above captioned investigations. This evidence was obtained via [redacted] subject of the Memphis case, giving consent for a search of her and subject [redacted] belongings stored at SOUTHERN SELF STORAGE, Ft. Myers, Florida.

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b7C

[redacted] One box containing notebooks of [redacted] a book entitled "TAX HAVENS OF THE WORLD", and a corporate seal for "CARIBBEAN DREAM FIVE LTD". This evidence was obtained from [redacted] when he was arrested in Ft. Lauderdale, Florida, on February 22, 1995, coming into the United States from the Bahama Islands.

Details: During the above referenced meetings on May 21-23, 1995, between SA's [redacted] and [redacted] and AUSA's [redacted] and [redacted] the above described evidence was reviewed by SA [redacted] and AUSA [redacted]. It was determined that this evidence pertained to the lottery scam that the subjects in the Memphis case masterminded in Florida and Ohio. This matter is now under investigation in Cincinnati. This evidence does not directly pertain to the scams the subjects masterminded in Tennessee. Accordingly it was requested that this evidence be provided to Cincinnati in order to aid their prosecution of the subjects.

ARMED AND DANGEROUS

CC: 1 - SA [redacted]

♦♦

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 3/14/95

[redacted] was interviewed at the United States Attorneys Office, Nashville, Tennessee, in the presence of her attorney, [redacted] by SA [redacted]. Also present was Assistant United States Attorney (AUSA) [redacted]. [redacted] provided the following information:

She was born on [redacted]. Her parents are [redacted] and [redacted]. Her parents are now divorced. Her father currently resides in [redacted] and her mother is remarried to a [redacted] and resides at [redacted]. [redacted] phone [redacted].

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b7C

She has [redacted]

[redacted]

In 1985 she married [redacted]. They were divorced in 1987, in Augusta. She then moved to [redacted] where she worked as a [redacted].

In 1990 she married [redacted]. They were divorced in 1992. Throughout all her relationships, past and present, she has always used the last name [redacted].

From October 1993 to the present she has lived with [redacted]

Investigation on 3/13/95 at Nashville, Tennessee File #

by SA [redacted] /dsm Date dictated

196B-CI-64415-107

196B-ME-46498

SEARCHED	INDEXED
SERIALIZED	FILED

3/14/95

JUN 15 1995

196B-ME-46498

b6
b7C

Continuation of FD-302 of [REDACTED], On 3/13/95, Page 2

She first met [REDACTED]

[REDACTED]

Over the next few months she heard [REDACTED] talk about a scam he and his partner [REDACTED] had been running [REDACTED]. She did not know much about [REDACTED] that [REDACTED] and that [REDACTED] said they made a lot of money.

[REDACTED]

[REDACTED]

[REDACTED]

196B-ME-46498

Continuation of FD-302 of [REDACTED]

, On 3/13/95, Page 5

b6
b7c

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

PTI banks at NATIONSBANK and BARNETT BANK. [REDACTED] initially wrote the checks but he quit working at PTI. Since [REDACTED] quit [REDACTED] has written all the checks. [REDACTED] also received checks from PTI. [REDACTED] cashed his checks at the banks where PTI had accounts. She had no idea how much money [REDACTED] received from PTI. Neither she or [REDACTED] maintained any type of bank account under any name. They utilized cash only to pay their living expenses.

In mid to late 1994, [REDACTED] and [REDACTED] thought up the idea of the WORLD WIDE LOTTERY and the NATIONAL INDIAN LOTTERY. This was going to be run by a company called TELEPHONE INFORMATION SYSTEMS (TIS). Everyone was very excited about this "project" and thought it would really take off. [REDACTED] even wanted to send [REDACTED] an attorney, out west to possibly get some sort of agreement with the indians. She did not know if this was ever done. She did not know all the ins and outs of how TIS worked and how the money "investors" sent in for the "lottery" got to Florida. She knew that if someone paid to join TIS and the lottery they would also have access to PTI'S sex line and the recently added sports line. During football season [REDACTED] recorded information on a weekly basis pertaining to NFL football games. [REDACTED] opened up a TIS bank account in Florida. She did not know which bank or under what specific name the account was opened under. [REDACTED] also faxed a corporate authorization to [REDACTED] to open a bank account for TIS in [REDACTED]

196B-ME-46498

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Continuation of FD-302 of [REDACTED], On 3/13/95, Page 6

[REDACTED]

[REDACTED]

Another aspect of TIS were the nightly conference calls. [REDACTED] would participate in these conference calls from their apartment. These conference calls were to answer questions from investors. [REDACTED] utilized the alias [REDACTED] during these conference calls. [REDACTED] utilized the alias of [REDACTED]. She never participated in any of the conference calls.

At the beginning of 1995 [REDACTED] moved into a house in Orlando, Florida. She did not know the address and has never been there. An individual going by the name [REDACTED] is assisting [REDACTED] in running PTI. PTI's phone number is 407/354-5642 or 800/903-SEXY. Also during this time period there began to be problems with PTI/TIS/INDIAN LOTTERY and the Securities and Exchange Commission (SEC).

[REDACTED]

[REDACTED]

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/30/95

[redacted] white male date and place of birth: [redacted]
[redacted] Social Security Account Number: [redacted] home
[redacted] telephone [redacted] doing business as [redacted]

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b7c

[redacted] was interviewed at the Springfield Resident Agency, on May 23, 1995, as pre-arranged. He was advised of the identity of the interviewing agent as well as the nature of the interview and he thereafter furnished the following information:

In approximately November or December, 1994, [redacted] who is an attorney in [redacted] telephonically contacted him and asked him if he knew anyone in a public relations firm who could handle a non-specified project. [redacted] recommended a firm to [redacted] but when [redacted] contacted them, they were too busy, which prompted [redacted] to contact [redacted] for another recommendation. During this contact, [redacted] asked him if [redacted] would be interested in handling [redacted] for a worldwide lottery, when approved, to be operated by the Houlton Band of the Maliseet Indian Tribe. [redacted] discussed this matter personally with [redacted] during [redacted] visit to [redacted] during the latter part of November or the early part of December, 1994. It was at this time that [redacted] told him that he had been hired as the attorney for the worldwide lottery project and [redacted] job, if the project took off, would be to handle [redacted] agreed

[redacted] stated that he had no contract with [redacted] for his involvement in the project.

[redacted] advised that over the Christmas holiday, 1994, he met [redacted] and in his opinion [redacted] was an "odd guy". He understood that [redacted] was some type of partner in the lottery project. He stated that it was [redacted] and [redacted] who suggested

Investigation on 5/23-26/95 at Springfield, Missouri File # 196B-CI-64415 -108

by SA [redacted] :ram Date dictated 5/30/95

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b7c

196B-CI-64415

Continuation of FD-302 of [REDACTED], On 5/23-26/95, Page 2

b6
b7C

that [REDACTED] use the name, INTERNATIONAL PUBLIC RELATIONS, in handling any press inquiries on the project and [REDACTED] subsequently used this name, which was not incorporated, [REDACTED] telephone #(417) 338-4435, at [REDACTED] in December, 1994. This telephone was connected to an answering machine which informed the caller that this was the INTERNATIONAL PUBLIC RELATIONS line. [REDACTED]

In approximately the first or second week of January, 1995, he travelled by air to Houlton, Maine, to meet with [REDACTED] of the Maliseet Tribe and [REDACTED] (phonetic), the tribe's [REDACTED]. The purpose of this meeting, was for the tribe to get a chance to meet [REDACTED] and after this meeting, he felt the lottery project was a "straight up deal" on behalf of the tribe. [REDACTED] believed the project was legal and the tribe was to get back with him, after they had Government approval in place; however, they never re-contacted him. [REDACTED] was told that the tribe needed to obtain a gaming compact with the State of Maine in order to operate their lottery.

In approximately late February or early March, 1995, [REDACTED] received a facsimile from [REDACTED]. This facsimile was of an article which had appeared in the Evansville, Indiana, newspaper, pertaining to the aforementioned lottery project. [REDACTED] stated that it was a negative article, questioning the legitimacy of the lottery, and it described the lottery as being a multi-level marketing program. He advised this article mentioned [REDACTED] by name and because of the negative information contained in this article, [REDACTED] decided that he wanted nothing more to do with the lottery project. He subsequently wrote a letter to [REDACTED] in approximately March, 1995, telling him that he did not want to take them on as a client. He last spoke to [REDACTED] on personal matters last week and [REDACTED] alluded to the project having "lots of problems" and it is [REDACTED] understanding that the lottery project is now dead.

[REDACTED] stated that the telephone lottery program was to have been run by a firm named TELEPHONE INFORMATION SYSTEMS (TIS), INCORPORATED, which is located somewhere in Florida; however, he has never had any contact with this firm. He advised that he never met [REDACTED] but he has heard his voice on a

196B-CI-64415

Continuation of FD-302 of [REDACTED], On 5/23-26/95, Page 3

b6
b7C

live telephone call-in program during a conference call in January, 1995, involving 500 individuals. He was in Branson, Missouri, at the time, and the conference call, which dealt with the live telephone call-in program, was selling interests in the lottery. [REDACTED] understands that this conference call occurred on a nightly basis.

On May 26, [REDACTED] was served in Branson, Missouri, with a Federal Grand Jury (FGJ) subpoena issued in U.S. District Court, Southern District of Ohio, Cincinnati, Ohio, on May 12, 1995. In compliance with this subpoena and in lieu of his appearance before the FGJ, [REDACTED] turned over to the interviewing agent, a manila folder containing [REDACTED]

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b7C

He requested that these records be returned to him upon completion of the FEDERAL BUREAU OF INVESTIGATION's investigation in this matter. [REDACTED]

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 5/30/95

TO SAC, CINCINNATI ✓
 FROM SAC, KANSAS CITY (196B-CI-64415) (SPFD-BSO) (RUC)
 SUBJECT : [redacted] aka;
 ET AL;
 FBW;
 (OO:CI)

Re CI airtel to AL, 1/17/95; KC airtel to CI, 4/20/95, and CI airtel to IP, 5/17/95.

Enclosed for CI, are the original and two copies of a FD-302 setting forth the interview of [redacted] on 5/23-26/95; a 1A containing [redacted] interview notes; the executed original and one file copy of a Federal Grand Jury subpoena issued to [redacted] and a 1A enclosing a folder containing subpoenaed records provided by [redacted]

Inasmuch as all requested KC investigation has now been completed, this case is being RUC'd.

②-Cincinnati (Encs. 7)
 2-Kansas City
 RAM:
 (4)

196B-CI-64415-109

Approved: Transmitted

(Number) (Time)

AUTOMATED INDICIES

SEARCHED	INDEXED
SERIALIZED	FILED
JUN 2 1995	
FBI - CINCINNATI	

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b7CREV
X

PHS 196B-CI-64415 -110
PHS:phs
1

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The following investigation was conducted by IA [redacted]
[redacted] on March 29, 1995:

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drop out was
SEARCHED INDEXED
SERIALIZED FILED
JUN 26 1995
FBI - CINCINNATI

office about a year ago. Per [] there was no written contract for the rental of office space for neither [] nor []

[] provided five pieces of abandoned mail addressed to PLEASURE TIME, INC., 4915 Carder Road, Orlando, FL, 32810. Since she has no forwarding address for PLEASURE TIME, INC., then she normally returns the mail to sender.

Lastly, [] provided copies of two business cards that [] left at the [] office when he tried to rent office space about a couple of months ago. [] refused to rent the space to him again. The business cards were under the name of []

Since this is a common name and several listings were found in the Orlando telephone directory and Florida DMV, unable to locate [] without identifying information such as date of birth or social security number.

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 6/19/95

TO : SAC, CINCINNATI (196B-CI-64415)
 FROM : SAC, TAMPA (196B-CI-64415) (ORA) (P)
 SUBJECT : [redacted] aka

PAUL M. LARSON:

[redacted] dba

TELEPHONE INFORMATION SYSTEMS, INC.;
 GROUP DYNAMICS DOWNLINE,
 1109 Navaho Drive,
 Lebanon, Ohio;
 FBW;
 OO: CINCINNATI

Re Cincinnati airtel to Indianapolis and receiving offices dated 5/17/95 and Cincinnati airtel to Boston and receiving offices dated 1/27/95.

Enclosed for the Cincinnati Division are the following:

(1) Original executed subpoena directed to [redacted]

[redacted] Subpoena was served on [redacted]

(2) Original executed subpoena directed to [redacted]

[redacted] Subpoena was served on [redacted]

② - Cincinnati (Enc. 10)
 1 - Tampa
 LMB:lmb
 (3)

196B-CI-64415-112

SEARCHED	INDEXED
SERIALIZED	FILED
JUN 26 1995	
FBI - CINCINNATI	

Approved: ARR/gmw

Transmitted

(Number)

(Time)

Per

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196B-CI-64415

(3) Return of original and copy of Grand Jury
subpoena directed to [REDACTED]
[REDACTED]

(4) Return of original and copy of Grand Jury
subpoena directed to [REDACTED]
[REDACTED]

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(5) Original and copy of investigative insert re
failure to locate [REDACTED]

(6) Original and copy of investigative insert re
[REDACTED]

b6
b7C

(7) Five pieces of undelivered mail addressed to
PLEASURE TIME, INC., 4915 Carder Road, Orlando, FL provided by
[REDACTED]

(8) Copies of 2 business cards for [REDACTED]
[REDACTED]

Investigation is continuing in the Tampa Division.

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/12/95

The Middletown Resident Agency of the Federal Bureau of Investigation received via US mail the response by [redacted] to a Federal Grand Jury subpoena issued by the United States District Court, District of Southern Ohio, Cincinnati, Ohio directing [redacted] to produce all records for [redacted]
[redacted]
[redacted]
[redacted] provided copies [redacted]
[redacted]
[redacted]
[redacted]

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Investigation on 6/12/95 at Middletown, Ohio File # 196B-CI-64415-113

by SA [redacted] :reh Date dictated 6/12/95

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b7C

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 6/14/95

TO : SAC, TAMPA
 FROM : SAC, CINCINNATI (196B-CI-64415) (P) (MRA)
 SUBJECT : [redacted] aka
 [redacted]

PAUL M. LARSON;

dba

TELEPHONE INFORMATION SYSTEMS, INC.;
 GROUP DYNAMICS DOWNLINE,
 1109 Navaho Drive,
 Lebanon, Ohio;
 FBW;
 OO: Cincinnati.

Reference Cincinnati airtel to Indianapolis, dated 5/17/95 and Cincinnati airtel to Tampa, dated 6/2/95.

Cincinnati recently received [redacted] from [redacted] pursuant to a federal grand jury subpoena delivered by Tampa as requested in referenced Indianapolis airtel.

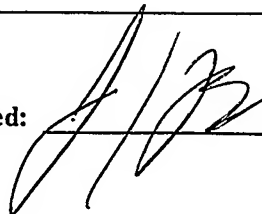
[redacted] were subpoenaed [redacted] Cincinnati is attempting to [redacted]

[redacted] In late February 1995, [redacted] and [redacted] were arrested in Florida on unrelated federal

3 - Tampa
 ② - Cincinnati
 REH:reh

(345)

196B-CI-64415-114
 Searched
 Serialized RD
 Indexed
 Filed RD

Approved: 

Transmitted

(Number) (Time)

Per

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196B-CI-64415

charges arising in the Memphis Division for operating a similar multi-level marketing scam.

GDD, operated by [redacted] and PAUL M. LARSON, was marketing shares in TIS' AMERICAN INDIAN LOTTERY PROGRAM (AILP) through an Ohio boiler room operation. Through mid-January 1995, GDD enrolled over 20,000 members raising over \$3 million to help establish the AILP, a nationwide 900 number telephone lottery.

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[redacted]

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[redacted]

[redacted]

[redacted]

LEADS:

TAMPA DIVISION:

At Orlando, Florida:
Interview [redacted]

[redacted]
[redacted] regarding the services provided to PLEASURE TIME and GROUP DYNAMICS DOWNLINE in furtherance of either PT's 900 telephone sex line or the AILP's 900 telephone lottery. Inquire about [redacted] or any of the other principals named above.

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- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 4/12/95

[redacted] was interviewed at the United States Attorney's Office, Nashville, Tennessee, in the presence of his attorney, [redacted] by SA [redacted]. Also present was Assistant United States Attorney (AUSA) [redacted]. AUSA [redacted] explained the charges against [redacted] and explained the proffer agreement the government was willing to enter into with [redacted]. After [redacted] signed the proffer letter outlining this agreement, it was decided that due to time constraints, this interview would center around [redacted] activities from the time he left Tennessee to the time he was arrested in Florida. [redacted] then provided the following information:

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[redacted]

[redacted]

[redacted]

b2h
8Investigation on 4/11/95 at Nashville, Tennessee File #

196B-CI-64415 -115

196B-MF-46498

by [redacted] /dsm

Date dictated

4/12/95

SEARCHED 710 INDEXED 710
SERIALIZED 710 FILED 710b6
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JUN 15 1995

CINCINNATI
[signature]

196B-ME-46498

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Continuation of FD-302 of [REDACTED], On 4/11/95, Page 2

[REDACTED]

[REDACTED]

He and [REDACTED] consider themselves to be married. They have not had any sort of formal ceremony of marriage. He admitted that this marriage is not recognized as legal.

[REDACTED] came up with the idea to combine the concept of multi-level marketing and phone sex. This business would be called PLEASURE TIME, INC. (PTI). [REDACTED]

[REDACTED] A friend of [REDACTED] CPA, incorporated PTI. A mail drop was opened in Lakeland [REDACTED] PTI opened some "offices" on Ortez Avenue in Orlando, Florida. This is where the phones were located and the girls or "phonemates", who performed the phone sex, worked. The owners of PTI were [REDACTED]

[REDACTED] had previously been big in the multi-level marketing of [REDACTED] products. [REDACTED]

[REDACTED] A merchant bank account was opened at the BARNETT BANK in Orlando in order to facilitate the processing of credit card sales.

[REDACTED]
[REDACTED] PTI advertised in area newspapers and passed out literature on the street. During the first month or so they signed up approximately 75 "distributors" who invested \$75.00 each. These distributors could then recruit

196B-ME-46498

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Continuation of FD-302 of [REDACTED], On 4/11/95, Page 3

other people to join PTI and receive commissions on these referrals. The next level of distributors recruit more people and receive commissions as do the distributors that recruited them, a financing structure that is much like a pyramid.

Through the summer of 1994 PTI did not do very well.

[REDACTED] At the end of July 1994 [REDACTED] told [REDACTED] that PTI was not working out and that he was going to the Woodstock concert.

[REDACTED]

On August 22, 1994, [REDACTED] telephoned with a solution for PTI. This solution combined what [REDACTED] called a "12 step approach to multi-level marketing" with a world wide lottery. They then conference called with [REDACTED]. After some discussion with [REDACTED] it was decided that PTI would begin doing business as TELEPHONE INFORMATION SERVICES (TIS). TIS will market a WORLD WIDE INDIAN LOTTERY on the multi-level marketing concept. Investors would pay \$129.00 for a distributorship. It was believed that people would think the lottery was legal since they would tell them the lottery was to be conducted on an indian reservation. [REDACTED] thought that they could do the lottery ^{PROMOTION} for a couple of months, make some money, and then tell all the distributors that the government had intervened and shut down the program. At this point they could bring all the distributors into PTI. The whole thing would work much like a "bait and switch" tactic, thus bailing out PTI. After making the money they planned to expand PTI from phone sex to include sports betting and psychic hotlines. [REDACTED] really liked the idea and wanted [REDACTED] to get to work finding someone in multi-level marketing they could utilize to market the lottery program.

He then made some calls and contacted [REDACTED] in Ohio. He knew that she was involved in multi-level marketing and after talking to her she seemed very interested. He then put her

196B-ME-46498

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Continuation of FD-302 of _____, On 4/11/95, Page 4

in touch with _____. She knew _____ by the name _____.
_____ Approximately a week after contacting _____
telephoned him and said that _____ was doing a good job. _____
cut a deal with _____

_____ There was no written agreement. _____ then set up
nationwide conference calls and was ready to accept payment by
credit card. _____ did not want to use credit cards, only
cashiers checks or money orders. _____ came up with the idea of a
"phone check". For this concept to work, the prospective
distributor faxes their application along with a copy of their
check in the amount of \$129 to _____. _____ then inputs the
distributor's checking account information into the computer.
This information is then sent via a modem to a "processor" who
recreates the check/draft which is then deposited into one of
_____ accounts, possibly the account titled GROUP DYNAMICS
DOWNLINE. The processor receives 2 percent of the amount
processed. He did not know who the processor was, but that there
are three of these processors in the United States, specifically
located in Illinois, Florida, and California. _____

_____ wires the rest to _____. The money sent to
_____ is then split equally between _____ and _____.

_____ was involved in doing the "legal work" for the
lottery. _____ planned to work full time for TIS once the
lottery really took off.

The lottery then began around September 1994. As the
money for the lottery came in _____ and _____ were paid to
make videos for PTI _____

_____ They then produced
the videos themselves for PTI. One video was made to advertise
the phone sex lines on the USA cable network. Another video was
made regarding the sports lines. _____

Once the lottery began the response was beyond anyone's
expectations. In addition to the wire transfers _____ began
sending cash to _____ via FEDEX. _____ received cash FEDEX
shipments from _____ approximately four times a week with at least
\$9,800 cash per shipment. This went on for about a month.

196B-ME-46498

Continuation of FD-302 of [REDACTED]

, On 4/11/95, Page 5

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On September 15, 1994, [REDACTED] telephoned him and said that it looked like [REDACTED] and [REDACTED] may actually make the lottery work and that it would not have to be a scam. [REDACTED]

[REDACTED] had done research and concluded that concept of an indian lottery was legal. A few days later [REDACTED] advised him that everyone decided that it could not be done legally, or that it would be too difficult to do legally. Therefore, they would continue on as planned since everything still seemed to be coming together.

[REDACTED]

[REDACTED]

In November 1994, he had a conference call with [REDACTED] [REDACTED] thought the lottery was going great. [REDACTED] told him that he still had one third of the deal, even though he had backed out earlier. [REDACTED]

[REDACTED]

[REDACTED]

During the Christmas holidays 1994, he and [REDACTED] traveled to [REDACTED]

196B-ME-46498

Continuation of FD-302 of [REDACTED], On 4/11/95, Page 6

[REDACTED]

[REDACTED]

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b7C

[REDACTED]

[REDACTED]

In January 1995 he learned that the SECURITIES AND EXCHANGE COMMISSION (SEC) was investigating TIS and the lottery. Everyone began to become very concerned. It was decided to have a meeting in Orlando, Florida. Present at this meeting were

[REDACTED]

196B-ME-46498

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Continuation of FD-302 of _____, On 4/11/95, Page 7

The purpose of this meeting was for _____ to look over the PTI/TIS papers and books with _____. During this meeting _____ gave _____ \$1,000,000 of unprocessed phone/fax check applications.

_____ later gave the \$1,000,000 of unprocessed applications to an individual going by the name _____ (LNU). _____ met _____ on one occasion. _____ represented that he could turn \$1,000,000 into \$3,000,000.

Another meeting was held in Orlando in early February 1995. This meeting was held due to the increasing problem they were having with the SEC. Present during this meeting were _____ and _____. CHECK

In late February 1995, _____, _____, PAUL LARSON, and _____ (LNU) traveled to the Bahamas. Before leaving for the Bahamas, _____ drove to Ft. Myers and picked up _____. _____ left a box of documents and applications from TIS and the lottery at _____ apartment. _____ is a black male who went along because he was going to make a video for a commercial on a car rental agency. The purpose of the trip was to set up an International Business Corporation (IBC). The IBC was to run _____ new project/scam, the CARIBBEAN DREAM FIVE LOTTERY. _____

_____ stated that he simply went on the trip to look into the possibility of starting a _____ business in the Bahamas. They returned from the Bahamas on February 22, 1995. _____ and LARSON stayed behind for a longer vacation. When they landed in Ft. Lauderdale, Florida, _____ was arrested while going through Customs. _____

196B-ME-46498

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Continuation of FD-302 of [REDACTED], On 4/11/95, Page 8

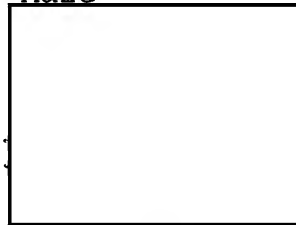
He estimated that the total amount of money received from the lottery scam to be approximately \$3,500,000. He accounted for the money as follows:

\$ 200,000	[REDACTED]
200,000	
200,000	
400,000	
350,000	Wired to [REDACTED]
250,000	Placed in a "Completion Fund" controlled by [REDACTED]
	[REDACTED]
120,000	[REDACTED] to produce videos.
900,000	Given to [REDACTED] (LNU) to "invest".
880,000	Unprocessed applications.
<u>\$3,500,000</u>	Total (approximate)

[REDACTED] can be described as follows:

Name:
Race:
Sex:
DOB:
POB:
SSAN:
Alias(es):

[REDACTED]
White
Male



lmb 196B-CI-64415 -117
LMB:lmb

1

The following investigation was conducted on June 14, 1995 by FA [redacted] at Orlando, FL.

Lead requested identification of addressee [redacted] [redacted] receiving mail at 931 N. State Road 434, Altamonte Springs, FL. This address is MAIL BOXES ETC., 931 N. State Road 434, Suite 1201, Altamonte Springs, FL, 32714. The employee working there would not give out any information re individuals with access to that box. A subpoena will be needed to obtain this information. It should be directed to the above address.

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Information obtained re [redacted] is as follows:
Address - [redacted]
[redacted] telephone - [redacted] DOB - [redacted] W/M; [redacted]
driver license: [redacted]

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 6/21/95

TO : SAC, CINCINNATI (196B-CI-64415) (MRA)
 FROM : SAC, TAMPA (196B-CI-64415) (ORA) (RUC)
 SUBJECT : [redacted] aka

PAUL M. LARSON;

[redacted] dba

TELEPHONE INFORMATION SYSTEMS, INC.;
 GROUP DYNAMICS DOWNLINE,
 1109 Navaho Drive,
 Lebanon, Ohio;
 FBW;
 OO: Cincinnati

b6
 b7C

Re Cincinnati airtel to Tampa dated 6/2/95 and
 telcall to SA [redacted] on 6/14/95.

Enclosed for the Cincinnati Division are the
 following:

(1) Original executed subpoena directed to [redacted]
 [redacted]

(2) Original and copy of investigative insert re
 [redacted] and [redacted]

Inasmuch as no further leads are outstanding, Tampa
 is placing this matter in an RUC status.

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② - Cincinnati (Enc. 3)
 1 - Tampa
 LMB:lmb
 (3)

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 b7C

196B-CI-64415-78

Approved: ARR/gmw

Transmitted

(Number)

(Time)

SEARCHED	INDEXED
SERIALIZED	FILED
JUN 28 1995	
Per FBI - CINCINNATI	

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 06/15/1995

To: CINCINNATI

Attn: SA [REDACTED] (MRA)

From: INDIANAPOLIS
Evansville

Contact: SA [REDACTED]

b6
b7C

Approved By: [REDACTED]

Drafted By: [REDACTED] kje

File Number(s): 196B-CI-64415 (Referred Upon Completion)

Title: [REDACTED] aka.

[REDACTED]
PAUL M. LARSON;

[REDACTED]
D/B/A TELEPHONE INFORMATION
SYSTEMS, INC.;
GROUP DYNAMICS DOWNLINE,
1109 Navaho Drive,
Lebanon, Ohio;
FBW

Synopsis: Grand Jury subpoena served on [REDACTED]
[REDACTED] 6/6/95.

Reference: Cincinnati airtel to Indianapolis, 5/31/95.

Enclosures: Enclosed for Cincinnati are the original and one
copy of an FD-302 reflecting service of Grand Jury subpoena, as
well as the original Grand Jury subpoena served on [REDACTED]
[REDACTED]

Details: On 6/6/95, [REDACTED]
[REDACTED] was served with a Grand Jury subpoena for the
production of any and all records for [REDACTED]
[REDACTED]

GRAND JURY MATERIAL - DISSEMINATE ONLY PURSUANT TO
RULE 6(e) FED.R.CRIM.P.

1

196B-CI-64415-119

SEARCHED	INDEXED
SERIALIZED 70	FILED 70
JUN 29 1995	
FBI - CINCINNATI	

To: CINCINNATI From: INDIANAPOLIS
Re: 196B-CI-64415, 06/15/1995

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Per instructions of Assistant United States Attorney (AUSA)
[redacted] U.S. Attorney's Office, Cincinnati, Ohio,
[redacted] will cause the requested records to be sent directly to SA
[redacted] Middletown, Ohio Resident Agency.

Since no further investigation is to be conducted by Indianapolis Division, this matter is considered RUC.

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/15/95b3
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b7C

[redacted] was served a Grand Jury subpoena from the United States District Court, Southern District of Ohio, for the production of records for [redacted]
[redacted]

[redacted] who is [redacted]
has date of birth [redacted]

196 B-CI -64415-120

Investigation on 6/6/95 at [redacted]File # 196B-CI-64415

by SA [redacted] - kje

Date dictated 6/12/95b6
b7C

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/25/95

[redacted] was interviewed at the United States Attorney's Office, Nashville, Tennessee, in the presence of his attorney, [redacted] by SAs [redacted] of the Nashville Resident Agency (RA) of the Federal Bureau of Investigation (FBI) and [redacted] of the FBI's Middletown RA in the Cincinnati Division. Also present were Assistant United States Attorneys (AUSAs) [redacted] of Nashville and [redacted] of Cincinnati, Ohio. AUSA [redacted] explained the charges against [redacted] related specifically to the Ohio fund raising activities of GROUP DYNAMICS DOWNLINE (GDD) for a multilevel marketing (MLM) program TELEPHONE INFORMATION SYSTEMS' (TIS) WORLD WIDE LOTTERY (WWL) and AMERICAN INDIAN LOTTERY PROGRAM (AILP). AUSA [redacted] further explained that the interview would be conducted pursuant to the proffer agreement [redacted] had previously signed regarding the Tennessee charges.

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[redacted]
[redacted]
[redacted] A successful telephone sex business requires a monthly advertising budget of \$40-60,000. [redacted]
[redacted]
[redacted]

The Florida company, PLEASURE TIME (PT), was incorporated in by April 1994. [redacted] a real person, was identified as the corporate officer. He headed his own MLM organization in Florida, [redacted] His PT contribution, an

Investigation on 5/23/95 at Nashville, Tennessee File # 196B-CI-64415 *122*
by SAs [redacted] and [redacted] reh Date dictated 5/25/95

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196B-CI-64415

Continuation of FD-302 of [REDACTED], On 5/23/95, Page 2

extensive Florida contact list, did not materialize. By June 1994, [REDACTED] was being phased out; [REDACTED] had nothing to do with TIS or the WWL.

[REDACTED] was responsible for PT's advertising, photography, videos and print work. [REDACTED] would be responsible for establishing PT's office, take care of daily operations. [REDACTED] obtained PT's Lakeland mail drop. [REDACTED] had no business responsibilities even though he was a one third partner.

[REDACTED]

[REDACTED]

[REDACTED]

By August 1995, PT looked unsuccessful. They had recruited around 100 people at \$75 each to raise \$7500 in capital. [REDACTED]

[REDACTED]

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Upon returning to Florida, [REDACTED] learned that [REDACTED] had devised the TIS MLM plan. [REDACTED] major contribution was the idea of nationwide lottery originating on an American Indian reservation. From TIS' inception, each of the three participants knew the WWL program was a scam. They knew that federal authorities would interfere to stop their soliciting of money for this purpose. When the federal authorities did intervene, they intended to blame the government for the WWL's failure and allow each TIS investor to become a PT investor. The objective was to raise money to operate a lottery and later transfer the TIS investment to PT's planned sex line, psychic hot line and sports betting line. [REDACTED] described their plan as "bait and switch." [REDACTED] was responsible for marketing TIS with the objective of enticing 2000-2500 investors in a 45 day period.

In August 1994 [REDACTED] challenged [REDACTED] to prove that the TIS MLM had no problem with the SECURITIES AND EXCHANGE COMMISSION (SEC). [REDACTED] said there was no securities law problem since each investment was less than \$250. [REDACTED] had never met [REDACTED] and [REDACTED] participated in three conference calls. [REDACTED] had knowledge that the TIS MLM was a scam. He knew that the

196B-CI-64415

Continuation of FD-302 of [REDACTED]

, On 5/23/95, Page 3

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objective was to enroll approximately 2500 members into TIS and then switch them into PT.

The TIS MLM program originally promoted the WWL Program. [REDACTED] proposed advertising the involvement of the TAKAHASHI GROUP, a non existent group Japanese investors. National pride would encourage Americans to enroll to limit the extent of Japanese involvement in the nationwide 900 telephone number lottery to be operated on an undetermined American Indian reservation. Americans were asked to purchase 50,000 memberships at \$129 each; the price later rose to \$189 in December 1994.

In late August 1994, [REDACTED]

[REDACTED] initially recruited [REDACTED] to operate TIS' fund

[REDACTED] Although she was interested in marketing the WWL [REDACTED] was not interest in marketing the PT telephone sex line. (After this initial call, [REDACTED] had just one other telephonic contact with [REDACTED] in October 1994 before meeting her twice in Florida in early 1995.)

[REDACTED] was responsible for daily liaison with [REDACTED] fund raising activities. He explained to [REDACTED] how one investor could increase their returns by recruiting other investors moving through 12 categories. [REDACTED] was to be responsible for recruitment, processing faxes and computer processing. Although she knew TIS was a subsidiary of PT, [REDACTED] did not know that the objective of her fund raising was to execute a "bait and switch" moving TIS lottery investors into the PT sex line. Also [REDACTED] did not have any initial knowledge that there were no Japanese investors in the WWL.

By September 1994, [REDACTED] set up the boiler room in Lebanon, Ohio, and established a bank account in Cincinnati, Ohio. [REDACTED] The three PT investors equally split the remaining \$96. [REDACTED] sent large sums to a PT account at the BARNETT BANK, Orlando, Florida. This account was opened by [REDACTED] and [REDACTED]

[REDACTED] Sometimes large amounts of cash were sent by Federal Express to the PT mail drop in Lakeland, Florida.

[REDACTED] believes that PAUL LARSON, [REDACTED] boyfriend, actually sent the cash. At the height of TIS' fund raising, money was sent at least four times a week to Florida. Since [REDACTED] was

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Continuation of FD-302 of [REDACTED], On 5/23/95, Page 4

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concerned to avoid alerting Treasury authorities through mandatory bank reporting requirements, individual transactions were often structured into amounts totalling less than \$10,000.

[REDACTED] Ohio fund raising operation was called GROUP DYNAMICS DOWNLINE (GDD). It mailed the checks payable to PT to [REDACTED]. Sometime multiple checks were mailed for amounts less than \$10,000 each. GDD later switched to mailing Cashiers Checks. [REDACTED] would sometimes send money to [REDACTED] and [REDACTED] sometimes sent money directly from Ohio to [REDACTED].

In September and October 1994, [REDACTED] hardly ever communicated with [REDACTED]. [REDACTED] was in daily contact with [REDACTED] and on a weekly basis received packages of checks from him. [REDACTED] would cash the GDD checks and mail [REDACTED] envelopes filled with cash. [REDACTED]

[REDACTED] preferred keeping the TIS money as cash to avoid having the government freeze their accounts. [REDACTED] estimated that out of every \$100,000 received by PT in Florida, approximately \$30,000 went into PT promotional expenses like photography and \$70,000 was split between [REDACTED] and [REDACTED].

By October 1994, PT had received approximately \$60,000. [REDACTED] had sent some checks to [REDACTED] as compensation for photographic work.

The original deadline for obtaining a TIS membership was mid-November 1994; it was later extended to mid-December and finally to mid-January. By mid-November, TIS had about 3000 members, a figure exceeding their original target. When [REDACTED] was asked about the delay in proceeding with the "bait and switch", [REDACTED] learned that [REDACTED] were now believers in the lottery's viability. The research of [REDACTED] the Louisville attorney engaged by [REDACTED] was favorable regarding the legality of a nationwide lottery sponsored by the American Indian tribe. [REDACTED]

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Continuation of FD-302 of [REDACTED], On 5/23/95, Page 5

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American Indian, as a consultant and another individual in Branson, Missouri, to handle public relations.

In late November 1994, [REDACTED] started listening in to the public TIS conference calls. [REDACTED] participated in some public TIS nationwide conference calls as [REDACTED]. [REDACTED] participated as [REDACTED] who was identified as a TIS legal advisor. [REDACTED] who participated as himself, was identified as the TIS' president.

[REDACTED]

By December 1994, [REDACTED] had established a PT account in Indianapolis. [REDACTED] had established a PT account at Nationsbank in Ft. Myers, Florida, and was receiving money directly from GDD at this time. None of this money was part of his buy out. [REDACTED] already had opened a TIS COMPLETION AGREEMENT account in Indiana.

Sometime in December 1994, [REDACTED] signed a contract with the Maliseet Indians in Maine to sponsor their lottery. [REDACTED] assisting the Maliseets in drafting their state tribal compact. In mid-December, the WWL became the AILP. This was contemporaneous with the signing of the Maliseet contract. All mention of Japanese investors is dropped mysteriously from TIS advertising.

In December 1994, [REDACTED] Nationsbank account received a large sum from [REDACTED]

[REDACTED] Around Christmas, [REDACTED] and [REDACTED] traveled to Augusta, Georgia, to spend the holidays. They met [REDACTED]

[REDACTED]

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Continuation of FD-302 of [REDACTED], On 5/23/95, Page 6

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[REDACTED]

About this time, [REDACTED] instructed [REDACTED] to move the GDD account to a Kentucky bank to hide the money from the SEC investigation. [REDACTED] learned from [REDACTED] that the Ohio Attorney General's (AG) was coming down on [REDACTED]. Sometime around late November 1994, the Ohio AG sent a form letter to GDD requesting an interview.

Around 1/10/95, the SEC had targeted PT, TIS and GDD. [REDACTED] counselled compliance with the SEC's directive against making disbursements from PT, TIS and GDD accounts.

After GDD closed down their fund raising activities in mid-January 1995, [REDACTED] and PAUL LARSON flew to Orlando, Florida. They stayed in a motel opposite Sea World. [REDACTED]

TIS applications arrived in Lebanon, Ohio, in great numbers as the final deadline approached. [REDACTED] had counselled [REDACTED] to not put anymore money in to the Kentucky account. She brought boxes of unprocessed applications with about \$1 million in checks and fax checks which were given to [REDACTED]

[REDACTED] was worried about the SEC investigation. She turned over to [REDACTED] seven or eight boxes of GDD records. She never expressed knowledge that the AILP was a scam or that the TIS-Maliseet contract was a sham. [REDACTED] truly believed [REDACTED] explanation for the disappearance of the Japanese investors that under the National Indian Gaming Act, no federal approval of the AILP would be granted to a lottery with foreign control. She was sure that [REDACTED] would triumph over the SEC.

Many TIS checks were given by [REDACTED] to an individual named [REDACTED] (LAST NAME UNKNOWN), [REDACTED] LNU has a mysterious background, [REDACTED]

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Continuation of FD-302 of [REDACTED], On 5/23/95, Page 7

year. That would be enough to pay back the TIS investors and make a profit. [REDACTED] thought [REDACTED] was pulling a scam on them, but [REDACTED] was enthusiastic about [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

After their short January visit to Florida, [REDACTED] and LARSON returned to Ohio. A month later they were returned to Florida and the Bahamas. In late February 1995, [REDACTED] and [REDACTED] flew to the Bahamas. [REDACTED] and [REDACTED] went there to establish an international business company (IBC) to operate their next endeavor the CARIBBEAN DREAM 5. It costs \$1000 to start an IBC which permits a business to start a Bahamian bank account.

[REDACTED] and LARSON were not involved in the CARIBBEAN DREAM 5. [REDACTED] last contact with [REDACTED] was a collect telephone call from his Ft. Lauderdale, Florida, jail about three days after his arrest. He assured her his arrest was unrelated to the AILP.

[REDACTED]

[REDACTED]

[REDACTED]

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- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/25/95

[redacted] white. male. date of birth [redacted]
[redacted] Social Security Number [redacted]
[redacted] was served with
a Federal Grand Jury subpoena duces tecum issued by the United
States District Court, Southern District of Ohio. The subpoena
commanded [redacted] to produce records and documents relating to
[redacted]

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Investigation on 5/24/95 at Indianapolis, Indiana File # 196B-CI-64415-124
by SA [redacted] *1873* -ljb Date dictated 5/25/95

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- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/14/95

[redacted] was interviewed at the United States Attorney's Office, Cincinnati, Ohio, in the presence of his attorney, [redacted]. Also present was Assistant United States Attorney (AUSA) [redacted]. AUSA [redacted] explained the charges against [redacted] related specifically to the Ohio fund raising activities of GROUP DYNAMICS DOWNLINE (GDD) for a multilevel marketing (MLM) program TELEPHONE INFORMATION SYSTEMS' (TIS) WORLD WIDE LOTTERY PROGRAM (WWLP) and AMERICAN INDIAN LOTTERY PROGRAM (AILP). AUSA [redacted] further explained that the interview would be conducted pursuant to a proffer and plea agreement.

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[redacted] who is known as [redacted] was born [redacted] has Social Security Number [redacted] and resides at [redacted] telephone [redacted] admitted to participating with [redacted]

The three were each equal partners in the PLEASURE TIME (PT), which was incorporated in Florida in the Spring of 1994. PT was formed to establish a telephone sex line and a telephone sports betting line financed by a MLM program. In April 1994, the partners hired [redacted]

Although he was hired for his extensive [redacted]

Sometime in July 1994, the partners discussed abandoning PT in a private conference call. They had invested a good deal of money but had raised little capital through the operation of the MLM. PT had about 250 members and was growing at just 5-10 members a week.

A couple of nights later, [redacted] and [redacted] discussed raising money by marketing partnerships in a nationwide lottery operated on an American Indian reservation. [redacted] had

Investigation on 6/9/95 at Cincinnati, Ohio File # 196B-CI-64415 - 124

by SA [redacted] :reh Date dictated 6/14/95

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Continuation of FD-302 of [REDACTED], On 6/9/95, Page 2

first mentioned the premise a year earlier. Although they each doubted the legality of such a lottery, they felt the premise of such a lottery would be very attractive to investors.

Their marketing strategy was designed create a sense of urgency among potential investors. Membership was arbitrarily limited to 50,000. Also a series of arbitrary membership deadlines were established starting in mid-November 1994 and ending in mid-January 1995. (They announced that extensions were granted in November and December.) There was never any need for any membership limit or deadline. In the original WWLP, a non-existent group of 50,000 Japanese investors known as the TAKAHASHI GROUP were guaranteeing the financing. [REDACTED]

[REDACTED] Americans were encouraged to invest to limit the [REDACTED] control over a guaranteed successful investment.

During their initial conversation, neither [REDACTED] nor [REDACTED] specifically mentioned the term "bait and switch" in reference to their lottery marketing strategy. From the first, [REDACTED] and [REDACTED] understood that the lottery was being promoted to raise capital which would be ultimately be used to promote the PT 900 telephone sex line services. Later, [REDACTED] came to understand their true objectives.

They first engaged [REDACTED] and a woman named [REDACTED] to market their WWLP without success. [REDACTED] was a [REDACTED] who was an associate of [REDACTED]

In mid-August or early September 1994, [REDACTED] found [REDACTED] It was [REDACTED] idea to market the WWLP through a public nationwide conference call. [REDACTED] learned of the these conference calls in mid-September. By mid-October, over one hundred callers were participating each night one was scheduled. By late October there were approximately 3700 TIS members. That is when [REDACTED] first listened to one of these calls.

Starting in August 1994, a Louisville, Kentucky, attorney, [REDACTED] was engaged to research the legality of a nationwide telephonic lottery sponsored by an American Indian tribe. By October, [REDACTED] had reported positively on the proposition. In October, [REDACTED] an Indiana attorney, was

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Continuation of FD-302 of [REDACTED], On 6/9/95, Page 3

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conducting negotiations with possible tribal sponsors and computer hardware and software manufacturers.

By early November 1994, [REDACTED] was participating in the public conference calls as [REDACTED]. At first, he participated at least once every two weeks; by January, he called about three times every two weeks. [REDACTED] on about fifteen occasions. When participating, [REDACTED]

[REDACTED] This was necessary since MLM investors join more than one program and [REDACTED] was leery that a prior investor in the COURTESY MLM scam might recognize his voice. [REDACTED] was a MLM fraud that [REDACTED] and [REDACTED]

In early November, possibly in his second call in the TIS campaign, the voice modulator failed to work and one caller recognized [REDACTED]. When [REDACTED] participated in public conference calls, he identified himself as [REDACTED]

By September 1994, [REDACTED] was distributing the TIS WWLP advertising literature by fax machines. When [REDACTED] finally met [REDACTED] in late January or early February 1995 in Orlando, Florida, she mentioned that the concept of the "one legged" downline found in WWLP literature was devised for her by [REDACTED]. She said [REDACTED]

In November 1994, [REDACTED] first saw the TIS WWLP's advertising literature. When questioned regarding specific representations made in this literature, [REDACTED] advised that the characterization of TIS as "an international company providing international 800 & 900 telephone information services" was untrue. TIS was a subsidiary of PT, which was formed in April 1994 to market telephone sex and had no assets. [REDACTED] advised that the claim that "TIS, in conjunction with a Japanese company and Native American Indians, will operate the World Wide Lottery" is untrue. There never was a "Japanese company" nor any "pre-sold 50,000 positions." On the public conference calls, [REDACTED] made representations to TIS members mentioning the Japanese backing. [REDACTED] said that if the

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Continuation of FD-302 of [REDACTED], On 6/9/95, Page 4

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Americans did not purchase their allotment of 50,000 memberships, the Japanese had the option to purchase the remaining positions.

The original TIS WWLP's literature also included a paragraph which states: "The companies involved have made every effort to insure that this venture will go forward as planned. But, due to any remote possibility of government intervention, it is impossible to absolutely guarantee that the lottery will take place. You will, however, still participate in the earnings from the TIS phone services." This paragraph prepared investors for the execution of the "bait and switch" from participation in TIS' lottery to PT's telephone sex lines. Investors are "prepared" to expect government intervention. The paragraph also overstates the progress toward completion of the project. When the literature was first distributed, PT's sex lines were not economically viable; they were approaching the break even point in December 1994.

In its infancy [REDACTED] estimated that the WWLP grew at 25 - 30 week; there was much better growth than PT's MLM. The WWLP was marketed as TIS not PT because of its negative association with a sex line. The partners filed in Florida to use TIS as a fictitious name.

Prior to mid-December 1994, TIS did not have any contractual relationship of any sort with any tribe. [REDACTED] acknowledged that the contract signed with the Maliseets in December was not a binding on either party.

[REDACTED] said the twelve tier TIS/WWLP Compensation Plan was compiled out of thin air; there was no marketing study to establish the figures listed for the weekly and annual incomes for each of the twelve pools.

By December 1994, [REDACTED] recognizing that WWLP references to Japanese investors were preposterous, recommended to [REDACTED] that they be discontinued. In December, new advertising literature for the AILP began to be distributed in which all references to Japanese investors were eliminated. Under the AILP, investors paid \$189, up from the WWLP's \$129. The number of referrals doubled from six to twelve to reach Pool #12 in the AILP investor's vertical downline.

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Continuation of FD-302 of [redacted], On 6/9/95, Page 5

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[redacted] was not a PT partner but an independent contractor who was compensated for each application [redacted] claimed [redacted] was paid \$32.50 for each one. Her cut was approximately 33% of each application.

Funds collected with each application which were

[redacted]

[redacted]

[redacted] has been [redacted] friend for about [redacted] years. He is an Indiana attorney, who represented [redacted] in [redacted] suggestion,

[redacted]

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5-26-95

On 5-26-95, FA [redacted] served United States District Court, Southern District of Ohio, Federal Grand Jury subpoena number [redacted] on [redacted]. The subpoena commanded [redacted] to furnish records relating to [redacted].

[redacted]

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Investigation on 5-26-95 at INDIANAPOLIS, INDIANA File # 196B-CI-64415 - 126

by FA [redacted] *KZ* Date dictated 5-26-95

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b7C

- 1 -

FEDERAL BUREAU OF INVESTIGATION

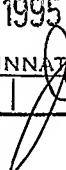
Date of transcription 5/25/95

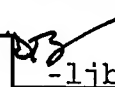
[redacted] white. male. date of birth [redacted]
[redacted] Social Security Number [redacted]
[redacted] was served with a
Federal Grand Jury subpoena duces tecum issued by the United
States District Court, Southern District of Ohio. The subpoena
commanded [redacted] to produce records and documents relating to the
[redacted]

b3



SEARCHED	INDEXED
SERIALIZED <u>RD</u>	FILED <u>RD</u>
JUN 24 1995	
FBI - CINCINNATI	



Investigation on 5/25/95 at Indianapolis, Indiana File # 196B-CI-64415 -127
by SA [redacted]  -ljb Date dictated 5/25/95

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(03/31/95)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 07/19/1995

To: CINCINNATI

Attn: SA [redacted] (MRA)

From: Indianapolis

Squad 5

Contact: SA [redacted] extension [redacted]

b6
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Approved By: [redacted]

Drafted By: [redacted] ljb

File Number(s): ✓ 196B-CI-64415 (Referred Upon Completion)

Title: [redacted] aka

PAUL M. LARSON;

[redacted]
dba Telephone Information
Systems, Inc.;
GROUP DYNAMICS DOWNLINE,
1109 Navaho Drive,
Lebanon, Ohio;
FBW;
OO: CINCINNATI

RET

Synopsis: Grand jury subpoenas served on [redacted]

Reference: Re CI airtel to IP, dated 5/17/95, and IP airtel to CI, dated 6/15/95.

Enclosures: Enclosed for CI are the original and two copies each of FD-302s reflecting the service of Grand Jury subpoenas, as well as the original Grand Jury subpoenas served on [redacted]

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Details: [redacted]

[redacted] served on 5/22/95 with a Grand Jury subpoena for the production of records related to [redacted]

GRAND JURY MATERIAL - DISSEMINATE ONLY PURSUANT TO
RULE 6(e) FED.R.CRIM.P.

1

196B-CI-64415-125

AUTOMATED INDICIES [signature]

SEARCHED	INDEXED
SERIALIZED RD	FILED RD
JUL 24 1995	
FBI - CINCINNATI	

(03/31/95)

FEDERAL BUREAU OF INVESTIGATION

To: CINCINNATI From: Indianapolis

Re: 196B-CI-64415, 07/19/1995

[redacted] subsequently advised that he was in possession of no records or information responsive to the subpoena.

Indianapolis understands that [redacted] attorney, [redacted] Indianapolis, is in contact with Assistant United States Attorney [redacted] Cincinnati, regarding the production of documents by [redacted]

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On 5/25/95, [redacted] was served with a Grand Jury subpoena for the production of records related to [redacted] Those records are enclosed herein.

Indianapolis notes that the results of the lead for Indianapolis at [redacted] to serve a subpoena at [redacted] was forwarded to Cincinnati by Indianapolis by airtel dated 6/15/95.

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Inasmuch as no further investigation remains, Indianapolis considers this matter RUC.

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GRAND JURY MATERIAL - DISSEMINATE ONLY PURSUANT TO
RULE 6(e) FED.R.CRIM.P.

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 08/18/1995

To: SAC, CINCINNATI

From: SA [redacted]
MIDDLETOWN RA

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Approved By: [redacted]

Drafted By: [redacted] *per*

File Number(s): 196B-CI-64415 (Pending)

Title: [redacted] aka
[redacted]
PAUL M. LARSON;
[redacted] dba
TELEPHONE INFORMATION SYSTEMS, INC.;
GROUP DYNAMICS DOWNLINE
1109 Navaho Drive,
Lebanon, Ohio
FBW;
OO:CI.

Synopsis: The writer requests approval to fly to Chicago, Illinois, for investigative purposes on 8/22/95.

Details: Assistant United States Attorney (AUSA) [redacted] Cincinnati, Ohio, has requested that the writer and Internal Revenue Service Special Agent (SA) [redacted] Cincinnati, accompany him to Chicago, Illinois, to review the investigative files of the SECURITIES AND EXCHANGE COMMISSION (SEC) in the captioned matter.

The travel will entail a one day round trip from Dayton airport via air starting early in the morning and returning late that same evening. The writer will share ground transportation with AUSA [redacted] and SA [redacted]

The writer requests SAC approval to obtain a rental car to transport AUSA [redacted] and SA [redacted] from O'Hare Airport to the SEC and return.

cc: 3 - Cincinnati

*per ASAC 8/17
Travel approved.*
1 *[Signature]*

196B-CI-64415-129

SEARCHED	INDEXED
SERIALIZED <i>AD</i>	FILED <i>AD</i>
AUG 18 1995	
FBI - CINCINNATI	

[Signature]

FBI

TRANSMIT VIA:

☒ Teletype
☐ Facsimile
☐ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☒ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☒ UNCLAS

Date 8/22/95

FM FBI CINCINNATI (196B-CI-64415) (P)

TO FBI CHICAGO/ROUTINE/

BT

UNCLAS

CITE: //3160:3945//

SUBJECT: [REDACTED] AKA [REDACTED]
 PAUL M. LARSON; [REDACTED] DBA TELEPHONE INFORMATION
 SYSTEMS, INC.; GROUP DYNAMICS DOWNLINE, 1109 NAVAHO DRIVE,
 LEBANON, OHIO; FBW; OO: CI.

ON AUGUST 22, 1995, SA [REDACTED] WILL TRAVEL TO
 CHICAGO TO REVIEW DOCUMENTS MAINTAINED AT THE SECURITIES AND
 EXCHANGE COMMISSION (SEC), CHICAGO, TELEPHONE [REDACTED]
 SA [REDACTED] WILL ALSO BE TRAVELING WITH AUSA [REDACTED]
 [REDACTED] CINCINNATI, OHIO, AND IRS SPECIAL AGENT [REDACTED]
 [REDACTED] CINCINNATI.

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1- Cincinnati

REHiban

(1)

Searched _____
 Serialized RD
 Indexed _____
 Filed RD

Approved: See Attached Original filename: BAN001W.234
 Time Received: _____ Telprep filename: BAN001SO.234
 MRI/JULIAN DATE: 1524/234 ISN: 005
 FOX DATE & TIME OF ACCEPTANCE: Wp

196B-CI-64415-130

^PAGE 2 (196B-CI-64415) UNCLAS

THE SEC HAS BEEN CONDUCTING A CIVIL INVESTIGATION INTO THE FUND RAISING ACTIVITIES OF GROUP DOWNLINE DYNAMICS AND TELEPHONE INFORMATION SYSTEMS WHICH PARALLELS THE OHIO FEDERAL CRIMINAL INVESTIGATION.

AUSA [REDACTED] HAS CLEARED THE WAY LEGALLY FOR CINCINNATI TO REVIEW VOLUMINOUS DOCUMENTS WHICH THE SEC HAS ALREADY OBTAINED THROUGH SUBPOENA. THIS WILL SAVE GREAT EXPENSE WHICH WOULD HAVE INCURRED DUPLICATING FINANCIAL DOCUMENTS DIRECTING FINANCIAL INSTITUTIONS TO RESPOND TO A CRIMINAL SUBPOENA.

SAC CINCINNATI AND SAC CHICAGO CONCUR WITH THE TRAVEL.

BT

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(06/01/1995)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 10/17/1995

To: PHILADELPHIA

From: ✓CINCINNATI

MIDDLETOWN RA

Contact: SA [REDACTED]

Approved By: [REDACTED]

b6
b7C

Drafted By: [REDACTED] reh

Case ID #: 196B-CI-64415 (Pending)

Title: [REDACTED] aka

PAUL M. LARSON:

[REDACTED] dba

TELEPHONE INFORMATION SYSTEMS, INC.;
GROUP DYNAMICS DOWNLINE,
1109 Navaho Drive,
Lebanon, Ohio;
FBW;

b3

Synopsis: Philadelphia is requested to deliver a subpoena to

[REDACTED]

Enclosures: The original and one copy of a Federal Grand Jury Subpoena, dated 10/12/95.

Details: GROUP DOWNLINE DYNAMICS (GDD), operated by [REDACTED] and PAUL LARSON, was marketing shares in TELEPHONE INFORMATION SYSTEMS' (TIS) AMERICAN INDIAN LOTTERY PROGRAM (AILP) through an Ohio boiler room operation. Through mid-January 1995, GDD enrolled over 20,000 members raising over \$3 million to help establish the AILP, a nationwide 900 number telephone lottery.

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[REDACTED]

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196B-CI-64415-131

Searched _____
Serialized RD
Indexed RD
Filed RD

To: PHILADELPHIA From: CINCINNATI
Re: 196B-CI-64415, 10/17/1995

LEAD(s):

Set Lead 1:

PHILADELPHIA

AT PHILADELPHIA, PENNSYLVANIA

Serve subpoena for

--

b3

cc: 2 - Philadelphia (Encl.2)
1 - Cincinnati

♦♦